Newfoundland and Labrador

Budget 1990

Presented by
Honourable Hubert Kitchen
Minister of Finance

1990 BUDGET

NEWFOUNDLAND AND LABRADOR

PRESENTED BY

HONOURABLE HUBERT KITCHEN

MINISTER OF FINANCE

AT THE

SECOND SESSION OF THE FORTY FIRST GENERAL ASSEMBLY

OF THE HOUSE OF ASSEMBLY

THURSDAY, MARCH 15, 1990

90-05637/

TABLE OF CONTENTS

	Page
HIGHLIGHTS	
INTRODUCTION	1
THE ECONOMY	2
Economic Review of 1989	2
Economic Outlook for 1990	3
FEDERAL-PROVINCIAL ISSUES	4
Federal Budget	4
Equalization Program	5
Goods and Services Tax	5
Unemployment Insurance	6
Regional Development Funding	6
Monetary Policy	6
The Constitution	7
FINANCIAL POSITION	7
Financial Review of 1989-90	7
Financial Outlook for 1990-91	8
BUDGET STRATEGY	9
REVENUE MEASURES	11
ECONOMIC DEVELOPMENT INITIATIVES	12
Tourism	13
Trade and Investment	14
Forestry and Agriculture	14
Mining	14
Fishery	14
HEALTH CARE INITIATIVES	16
EDUCATION INITIATIVES	17
OTHER INITIATIVES	18
Government Pension Plans	18
Social Services	19
Justice	19
Employment Initiatives	20
Women's Issues	20
Transportation	20
Municipal Capital Program	21
Crown Corporations	21
CONCLUSION	21
CHARTS	
STATEMENTS	
EXHIBITS	

BUDGET HIGHLIGHTS - 1990

- The main elements of the 1990-91 Budget Strategy are:
  - — Achievement of a surplus on current account for the second consecutive year;
  - — Adoption of measures to streamline Government's operations with these savings being redirected to higher priorities such as economic development, health care and education;
  - — Major emphasis to promote regional economic development with the establishment of a new Crown corporation to deliver all local development and business programs; and
  - — Adoption of current account revenue measures to counteract the reduction in federal transfer payments.
- The Budget outlines a total spending program as follows:
  - — Total gross current and capital account spending is estimated to be $3,319,357,400;
  - — Government is forecasting in this Budget a current account surplus of $10,243,000;
  - — Government's gross capital program is forecast to be $367,519,000 versus $352,634,000 in 1989-90. Net capital requirements are projected to be $258,752,000 versus $259,577,000 in 1989-90; and
  - — Government's net budgetary requirement will be $248,509,000. Debt retirement requirements are $245,748,000, thus necessitating a planned borrowing requirement of $494,257,000;
- The following expenditure reductions are being implemented:
  - — Expenditures for travel, supplies and other operating items have been kept to a minimum;
  - — The fleet of vehicles operated by the Province will be reduced for a saving of $1,800,000 this year; and
  - — The Office of the Parliamentary Commissioner will be disbanded.
- In order to generate $21,700,000 in 1990-91, revenue measures introduced are as follows:
  - — A new Health and Post-Secondary Education Tax, at a rate of 1.5% on employer payrolls exceeding $300,000, will be implemented effective August 1, 1990;
  - — The Corporation Capital Tax rate will be increased from 2% to 3%, effective April 1, 1990; and
  - — A number of fees and licences will be increased.
- Initiatives to promote economic development include:
  - — Funding of $2,100,000 is provided to continue operations of the Economic Recovery Commission;
  - — Additional funding of $1,000,000 is included for a new Crown corporation, with substantial regional decision making, to deliver all local development and business programs;
  - — The Comprehensive Labrador Subsidiary Agreement provides $800,000 in new money for various tourism related projects; and
  - — To raise the level of awareness of investment opportunities in the Province, $450,000 is provided for an Asian initiative.
- To help improve the health care sector, the following new initiatives are funded:
  - — An additional 55 hospital beds will be opened throughout the Province;
  - — An additional 13 beds at the Agnes Pratt Nursing Home and 20 at the Dr. Hugh Twomey Health Centre will be opened;
  - — An additional 33 nursing positions will be created; and
  - — An additional 32 residential care positions will be funded for the Province's nursing homes.

BUDGET HIGHLIGHTS - 1990 (Continued)

- To address child abuse and other social issues, the following new initiatives are funded:
  - An additional 50 new front-line positions will be created in child welfare services;
  - Police positions will be increased by up to 5% throughout the Province;
  - A 4% increase is provided for allowances paid to foster parents;
  - A 20% increase is provided for the clothing allowance for foster children;
  - An increase of 4% is provided for social assistance recipients; and
  - A Program for Older Worker Adjustment has been established with funding of $1,000,000.
- Funding in the education sector includes the following major items:
  - Funding for the School Tax Equalization Grant will be maintained at $10,000,000;
  - Additional funding of $1,700,000 is provided for student aid, inclusive of increased funding for single parents; and
  - An increase of 4% is provided in the per pupil operating grants to school boards.
- To promote employment, the following initiatives are funded:
  - Youth employment initiatives, primarily funded by the Youth Strategy Agreement, are funded at $3,200,000;
  - An Employment Generation Program is funded at $2,900,000;
  - A period of extended notice for fish plant workers at three large trawler plants has been funded in the amount of $9,000,000; and
  - A provision of $25,200,000 will be made for the ongoing employment programs for social assistance recipients.
- To address women's issues in the Province, the following funding is allocated:
  - Funding of $500,000 is provided for a program for Women Interested in Successful Employment;
  - Funding is provided for the continued operation of the Advisory Council on the Status of Women and for the Interagency Committee on Violence Against Women; and
  - Funding of $6,300,000 has been provided to implement pay equity in the health care sector.
- Government and its agencies are providing significant allocations for capital projects as follows:
  - Funding of $60,100,000 is provided for capital construction in the education system;
  - Funding of $22,800,000 is provided for capital improvements in the health care system;
  - Funding of $8,320,000 is provided to accelerate construction of the new young offenders facility at Whitbourne;
  - Funding of $1,000,000 is included for an extension to the HUB Building;
  - Approximately $113,500,000 will be earmarked for road construction;
  - An estimated $31,300,000 is to be spent on public building projects;
  - Newfoundland and Labrador Housing Corporation has budgeted $98,771,000 for its capital program; and
  - Newfoundland and Labrador Hydro expects to spend $97,000,000 on capital projects to improve electrical generation and transmission facilities.

INTRODUCTION

Mr. Speaker, I am pleased to present to this Honourable House the second Budget of the Wells Administration.

These first ten months of Government have brought many challenges in managing the Provincial economy, in providing services essential to our people, and in responding to the changing nature of the federal-provincial fiscal balance in this country.

To date, this Government has established a record of responsible action and decisive leadership, and has demonstrated a willingness to tackle head-on the tough issues that confront us. Notwithstanding the current difficulties in our economy, optimism and enthusiasm pervade this Administration. We are restructuring the machinery of Government, we are eliminating the waste and extravagance of former years, and we are making significant progress in implementing policies for which the people of the Province voted nearly 11 months ago.

The preparation of this Budget has not been easy, partly because of the far-reaching effects of the drastic reductions in cod quotas, but largely because of the economic, fiscal and monetary policies of the Federal Government. However, we have been able to produce a Budget that addresses in a very significant way this Government's three basic priorities of economic development, health care and education; a Budget that does not come down hard on the people. This is a prudent Budget that will enable us to go a long way towards delivering to all regions of the Province the fairest and most equitable level of service we are able to provide and still be fiscally responsible to the present and to the future. Mr. Speaker, I am proud to present this Budget, for it is truly a Liberal Budget, a people's Budget.

THE ECONOMY

Mr. Speaker, the Province's economy continued to expand during 1989 with the Gross Domestic Product (GDP) growing by 1.4 percent, after adjusting for inflation.

Although we have made progress, the rate of growth of the Newfoundland economy has not kept pace with that of the rest of Canada. Over the past seven years the Newfoundland economy grew at an average annual rate of three percent, compared with average annual growth nationally of 4.2 percent.

Economic Review of 1989

Mr. Speaker, economic growth in 1989 was not as high as in the previous two years, due primarily to a slowdown in the forestry and fishing industries. Most other goods producing industries and the service sector, however, continued to perform well.

Newsprint production in the Province increased by 1.2 percent in 1989, while shipments declined slightly because of soft newsprint market conditions. Pulpwood production decreased by approximately 6.3 percent due to an earlier than usual suspension of wood harvesting operations.

The fishing industry experienced a number of difficulties during 1989. The performance of the fishing industry was affected by reduced quotas and by strikes at the two largest fish processing companies in the early part of the year. Decreased landings, combined with lower prices for some species, caused the value of fish landings to decline.

Demand was strong for the Province's mineral products as the total value of mineral shipments rose by 11.1 percent. Mineral exploration remained at a high level.

Total construction investment increased by 1.5 percent. Strong growth was recorded in residential construction which increased by 10.5 percent. The more than 3,500 housing starts, the highest level since 1980, represented an 11.6 percent increase over 1988.

The service sector benefitted from higher consumer spending stimulated by gains in personal income and tourism. Personal incomes grew by 8.6 percent in 1989, while retail trade increased by about seven percent. The Province's inflation rate averaged 3.6 percent last year compared to a national rate of five percent.

Total employment increased by 8,000 person years, up 4.1 percent from the previous year. Employment growth outpaced growth in the labour force causing the unemployment rate to fall to 15.8 percent. Mr. Speaker, this was the lowest unemployment rate in the past eight years.

Economic Outlook for 1990

Mr. Speaker, the Provincial economy is expected to grow again in 1990, but at a slower rate than in recent years. This is consistent with the growth slowdown expected for the national and international economies in 1990. Real GDP in the Province will increase by just under one percent. Economic growth in the United States and Canada will decline to 1.7 percent and 1.3 percent, respectively. The inflation rate in this Province will average four percent compared to a national rate of 4.7 percent.

Total employment will increase by about 1,000 person years in 1990. Growth in the labour force, however, may exceed growth in employment and this would cause the unemployment rate to average 16 percent.

Further declines are expected in the fishing industry as a result of the reduction in groundfish quotas and the consequent increase in downtime at fish plants throughout the Province. The economic and social consequences would be much greater if Government had not acted to extend the period of notice of termination which will result in fish plants remaining open during 1990.

In the mining industry, a strong performance is again expected this year. The markets for iron ore will remain healthy, and exploration activity will remain strong. Mr. Speaker, the value of mineral shipments will be the highest since 1981, and will exceed $1 billion.

The forest industry is expected to experience difficulties in 1990, should soft market conditions continue.

The service sector will undergo economic expansion in 1990, driven largely by growth in consumer spending.

Negotiations ongoing between the Federal and Provincial Governments and the Hibernia consortium should lead to a binding agreement this year to develop the Hibernia oil field. The construction industry will experience increased activity in 1990 as development expenditures begin for the Hibernia project. Hibernia development will represent the start of a new industry in this Province with a strong possibility of other similar developments to follow, such as Terra Nova and Whiterose. The contribution of this new industry to the Provincial economy will be substantial. We should not, because of past delays, underestimate its potential impact on the Province. Exploration activity already has resumed in the offshore. Further exploratory drilling is expected in the early 1990s as a result of recent land sales and the sale proposed for 1990.

Active discussions have been ongoing regarding the further development of the hydroelectric potential in Labrador. Should these discussions lead to an agreement, the economic effects will be significant.

Military training in Labrador is a source of current prosperity and future economic opportunity. The Canadian Forces Base at Goose Bay is used as a training facility by three foreign countries, and provides employment for more than 1,100 people. Over $150 million in capital projects are planned for the next few years in support of the current level of training. A decision to locate a NATO training centre at Goose Bay would create an even more substantial boost to the local economy. Due regard must be had for the concerns of native peoples and for the protection of the environment.

FEDERAL-PROVINCIAL ISSUES

Mr. Speaker, the future of this Province is influenced considerably by the Government of Canada. We rely on the Federal Government to implement balanced policies that are for the betterment of all regions of the country. As one of Canada's presently less affluent provinces we must look to the Federal Government to assist us to provide essential services and to develop our economy. In this regard, I wish to address several issues relating to the fiscal and economic policies of the Federal Government.

Federal Budget

To balance economic growth, federal fiscal policies should be targetted to the fullest extent possible to enhance the performance of the economically disadvantaged regions. The tough measures should be directed at the overheated segments of the national economy. Unfortunately, the recent Federal Budget did nothing to alleviate disparities between this Province and the rest of Canada.

Although the Federal Budget did not include any new tax increases, some measures previously announced will become effective in 1990-91. These include the Goods and Services Tax (GST), rate changes to the personal high income surtax and the capital tax on large corporations, as well as the phase-in of social transfer repayments.

The primary target of the two-year expenditure control plan announced in the Federal Budget is transfers to provinces. Direct transfers to individuals are exempt from this federal restraint plan. The task of making the tough decisions affecting individuals in effect has been delegated to the provinces.

The largest restraint measure announced in the Federal Budget is a two-year freeze applied to the Established Programs Financing (EPF) arrangements which provide federal financial support for provincial health and post-secondary education systems. This measure will reduce fiscal transfers to this Province by more than $50 million over the next two years. Combined with previous restraint, the federal policies make it increasingly difficult to provide adequate health care and post-secondary education programs.

The federal austerity program extends beyond the major transfer programs to provinces. Newfoundland and Labrador will be negatively affected by a broad range of changes in a variety of programs and activities such as reductions in legal aid and funding for women's centres, restrictions on cost-shared funding for social housing, lower subsidies for Marine Atlantic, and the elimination of the Canadian Exploration Incentive Program.

Equalization Program

The principle of the equalization program, as enshrined in the Constitution, is to ensure that all provinces have sufficient revenues to provide a reasonably comparable level of public services at reasonably comparable levels of taxation. However, this program currently has a transfer ceiling which limits equalization payments despite increasing fiscal need. In order to satisfy the principle of the equalization program, there should be no ceiling on the growth of equalization transfers. Indeed, an enrichment of the equalization program is needed.

Goods and Services Tax

Mr. Speaker, the Government of Newfoundland and Labrador is quite concerned about the negative impact the proposed GST will have on our people, our economy and our fiscal position.

The Government of Canada's prediction that there will be a smooth economic transition to the new tax is too optimistic. The inflationary impact of the GST will be higher in Newfoundland during the transition period than forecast by the Federal Government due to lower competitive pressures in this Province and the taxation of transportation costs. Also, few of the long term economic benefits from the GST will be derived in this Province. The output from most Newfoundland industries will be influenced more by such factors as resource supply, world demand and prices for specific products, interest rates and exchange rates, than by the removal of the present federal sales tax on business inputs.

Removing the existing federal sales tax on businesses will result in shifting the tax burden almost entirely to individuals. The federal taxes paid directly by individuals will increase by about $130 million annually, even after taking into consideration increased sales tax credits. The Federal Government contends that most of this increase in direct burden will be offset by lower prices resulting from the GST not being applied to businesses. I am skeptical that this will in fact be the case.

The GST will result in a serious deterioration in the fiscal position of the Government of Newfoundland and Labrador. Moreover, the increasing intrusion by the Federal Government into the consumption tax field will restrain our fiscal maneuverability and impede our ability to provide necessary services.

The administration and compliance complexities associated with two retail sales tax systems will be enormous. Not only are we concerned about the GST interfering with our Provincial taxes, but also with the pending loss of tax administration staff to the expanded federal system.

Mr. Speaker, for all of these reasons, this Government is, has been, and will be firmly opposed to the GST.

Unemployment Insurance

The Federal Government appears determined to proceed with its reform of the Unemployment Insurance Program despite opposition throughout the country. Under the new proposals, the Federal Government is no longer contributing its share, which averaged 23 percent during the 1980s. Instead, all contributions to the unemployment insurance fund are made by employees and their employers, at rates 15 percent higher than last year. For many claimants there will be increases in the number of weeks required to qualify for unemployment insurance, longer waiting periods and shorter benefit periods. The traditionally high unemployment rates in this Province mean that these changes will be quite burdensome and will exacerbate the present crisis in the fishery. We estimate that the proposed changes could remove more than $100 million from our economy, result in a decline of $15 million in Government revenues, and increase social assistance payments. This, Mr. Speaker, is not easy to accept.

Regional Development Funding

Significant regional economic disparities have persisted in Canada over an extended period of time. Nowhere is that more evident than in Newfoundland and Labrador.

In order to reduce regional economic disparity, resources must be targetted at the disadvantaged regions. The Federal Government's current regional and industrial assistance programs are too broadly applied to achieve that objective.

Monetary Policy

Mr. Speaker, the current high interest rate policy of the Bank of Canada is hurting this Province. The Federal Government is keeping interest rates high in order to slow the economy and thus ease inflationary pressures. We believe this monetary policy is inappropriate for Newfoundland.

This Province does not need the brakes applied to its economy. The inflationary pressures in Canada are not originating here, but are being generated in overheated regional economies, mainly in central Canada.

Because interest rates cannot be set on a regional basis, the Government of Canada should be targetting the overheated regions of the country for more restrictive fiscal policies, primarily expenditure reductions and in particular the removal of industrial development incentives in these overheated regions. The current policy of applying restrictive monetary and fiscal policies evenly across the country, including those regions where resources are underutilized, where unemployment is excessive, and where inflationary pressures are not as great, is counter-productive.

Mr. Speaker, federal fiscal, economic and monetary policy must serve not just central Canada, but all of Canada, including Newfoundland and Labrador.

The Constitution

Mr. Speaker, this Government has come to the conclusion that economic fairness and balance will be achieved in Canada only when the Constitution makes provision for greater political equality among provinces. That is why we support a Triple E Senate that is elected, has equal representation from all provinces, and has the power to ensure that its vote will be effective. That is why we cannot support the present wording of the Meech Lake Accord which, by extending the constitutional veto, will make Senate reform virtually impossible and prevent forever the ability of Newfoundland and Labrador to get out from under the yoke of economic disparity. The two economic solitudes that now exist in Canada would be entrenched.

FINANCIAL POSITION

Financial Review of 1989-90

Mr. Speaker, in my Budget last year I projected a current account surplus of $5.3 million for the 1989-90 fiscal year. I am pleased to announce today that we surpassed that estimate and achieved a surplus of $37.8 million on current account.

The improvement of $32.5 million from Budget is largely the result of higher revenues. Net current account expenditures remained substantially on target. Our overall deficit or total budgetary requirement was $221.7 million last year, or $31.7 million less than Budget.

Mr. Speaker, in my Midyear Financial Report to this House in December, I estimated a current account surplus of $52 million. Out of this surplus on current account, Government decided to begin the process of addressing the serious unfunded liability in the Province's Pension Fund by making a $21 million special contribution this year. This substantial contribution furthers the process of ensuring the long term integrity of our pension plans.

Table 1

SUMMARY OF 1989-90 FINANCIAL PERFORMANCE

	Budget 1989-90 ($ millions)	Revised 1989-90 ($ millions)	Variance ($ millions)
Current Account			
Gross Expenditure	2,777.8	2,789.7	(11.9)
Related Revenue	292.7	301.9	9.2
Net Expenditure	2,485.1	2,487.8	(2.7)
Provincial and Federal Revenues	2,490.4	2,525.6	35.2
Current Account Surplus	5.3	37.8	32.5
Capital Account			
Gross Expenditure	370.2	352.6	17.6
Related Revenue	111.5	93.1	(18.4)
Net Expenditure	258.7	259.5	(0.8)
Total Budgetary Requirement	253.4	221.7	31.7
Debt Retirement			
Redemptions	123.4	116.6	6.8
Sinking Funds	59.6	59.4	0.2
Total Debt Retirement	183.0	176.0	7.0
Total Borrowing Requirement	436.4	397.7	38.7

Financial Outlook for 1990-91

Mr. Speaker, it is with considerable satisfaction and pride that I am able to announce that in 1990-91 we will achieve our second consecutive current account surplus, at a level of $10.2 million.

Current account revenues are projected to grow by five percent, on the strength of growth in Provincial revenues. Federal transfers are expected to increase by only 2.1 percent.

Expenditures on capital account will be $367.5 million. Of this, $108.8 million will be offset by related revenues, leaving a net capital account requirement of $258.7 million. The combined current and capital budgetary requirement will be $248.5 million, which is approximately $5 million less than last year's Budget.

Table 2

ESTIMATED BUDGETARY POSITION

	Estimates 1990-91	Revised 1989-90
	($ millions)	($ millions)
Current Account		
Gross Expenditure	2,951.8	2,789.7
Related Revenue	311.1	301.9
Net Expenditure	2,640.7	2,487.8
Provincial and Federal Revenues	2,650.9	2,525.6
Current Account Surplus	10.2	37.8
Capital Account		
Gross Expenditure	367.5	352.6
Related Revenue	108.8	93.1
Net Expenditure	258.7	259.5
Total Budgetary Requirement	248.5	221.7
Debt Retirement		
Redemptions	180.9	116.6
Sinking Funds	64.9	59.4
Total Debt Retirement	245.8	176.0
Total Borrowing Requirement	494.3	397.7

BUDGET STRATEGY

Mr. Speaker, when this Government took office less than a year ago, we made a commitment to manage the people's finances in a prudent and responsible manner. We are fulfilling that commitment.

If we are to ensure our future ability to provide the services our citizens deserve, then we must not burden ourselves and those that follow us with excessive debt. It is all too easy to say that prosperity is just around the corner so let us borrow from our future and avail of it today. There has been too much of that in the past.

The total debt of the Province is $5.2 billion. That is more than $9,000 for every man, woman and child in the Province. That will grow again this year. The interest on that debt will be over $470 million this year. This is almost as much as we spend to operate our primary, elementary and secondary school system. It is equivalent to what we spend to operate all our hospitals.

Despite our achievement of a current account surplus in the 1989-90 fiscal year, our total per capita budgetary requirement was the second highest budgeted by any province last year. Our credit rating, which influences the interest rate we must pay on our debt and determines the markets in which we may borrow, remains at the lowest level assigned to any province. Mr. Speaker, we do not have the capacity for unrestrained spending.

In developing this Budget, Government took its responsibilities very seriously. The overriding principle was that we must balance our current account position, and keep our overall budgetary requirement at a manageable level, while providing necessary services.

Achieving the current account surplus was not an easy task. We are saddled with servicing the debts of our predecessors. The recent Federal Budget dictated that we shoulder an even greater share of their deficit. The economy is experiencing a period of slower growth. The needs of the people of this Province are real and many.

In pursuing our budgetary objectives, there are two courses of action available to us: restrain our spending and enhance our revenues.

Mr. Speaker, this Government is committed to fiscal restraint, to eliminating extravagance and waste, to reducing the cost of operating government, and to making the public service leaner and more efficient. All expenditures of all departments have been examined, and non-essential services have been trimmed to make greater financial resources available for higher priorities.

As part of an extensive pre-Budget exercise, every department of Government was directed to identify substantial expenditure reductions. The savings generated through this exercise, as well as further reductions established through the Budget process, are reflected in operating budgets throughout the public service. Expenditures for travel, supplies, and other operating items have been kept to a minimum.

To meet Government's changing priorities some re-allocation of human resources has been necessary. A conscious effort, however, has been made to keep layoffs to a minimum. Permanent employees affected have been notified of this decision.

There are 1,264 automobiles and similar vehicles directly under the control of Government departments. There are hundreds more in Crown Corporations and

other Government agencies. Mr. Speaker, Government has decided to reduce this oversized fleet of vehicles by eliminating all non-essential use built up over the years. We are placing an immediate freeze on the purchase of all new automobiles except where absolutely necessary, thereby saving Government $1.8 million this year. In addition, we will be substantially downsizing the fleet, thereby achieving additional savings both in capital and operating costs. This long-overdue efficiency measure will mean substantial savings for the people of this Province.

Mr. Speaker, Government will shortly be introducing legislation to repeal the Parliamentary Commissioner (Ombudsman) Act. In Government's view, the number and substance of complaints investigated by the Ombudsman and his staff do not warrant an office costing $236,000 annually. In future, complaints against departmental actions will be brought directly to Ministers and to the other Members of the House of Assembly.

Many of the expenditure reduction decisions were very difficult, and were not taken lightly. Others were part of a vitally important re-evaluation process, which we intend to continue throughout our mandate, whereby all programs and services will be regularly examined. Only through such a process can we ensure that our limited financial resources are used most effectively.

The expenditure plan contained in this Budget continues the efforts of my first Budget to eliminate spending that is no longer serving a useful purpose. We have further rationalized and downsized many programs and services. By doing so, we have lessened our need to borrow and freed up resources to address our most pressing expenditure priorities.

Mr. Speaker, this Government has established three priority areas for this Budget, three areas which are essential to ensuring a better future for our citizens. These high priorities are economic development, health care and education. We must advance in these areas despite a diminished commitment to them by the Federal Government.

Our attempts to achieve our fiscal goals through sound fiscal management have been interfered with by transfer cuts in the recent Federal Budget. Because of the very real need to sustain funding, particularly for our health care and post-secondary education systems, we have, Mr. Speaker, been left with no choice but to recover the shortfall through our own revenue sources.

REVENUE MEASURES

This Government does not take lightly a decision to raise taxes. In choosing the revenue measures for this Budget, we deliberately avoided regressive measures which would inflict an additional burden on those least able to pay.

Mr. Speaker, because the Federal Government chose in its recent budgets to cut transfers for health and post-secondary education by over $20 million commencing April 1, I am announcing today our intention to implement on August 1 a new tax, to be called the Health and Post-Secondary Education Tax. This tax will apply at a

general rate of 1.5 percent to employer payrolls in excess of $300,000 each calendar year. For primary producers and secondary processors in the three renewable resource industries of fisheries, forestry and agriculture, the rate will be zero percent. This measure is expected to generate $15 million during 1990-91 and $25 million in 1991-92.

The balance of the EPF shortfall will be recouped from two revenue sources. An additional $5 million in fees and licences will be generated by various measures spread across several departments. Our Corporation Capital Tax, which applies to banks, trust and loan companies, will have a rate increase of one percentage point from two percent to three percent, for a $1.7 million revenue gain.

This Government recognizes the impact the taxation system has on our economy. To ensure that the taxation system is enhancing rather than inhibiting our long term economic development strategy based on diversification and small business, the Department of Finance will complete four taxation studies this year. First, our review of the implications of the proposed GST on Provincial consumption taxes, announced in my last year's Budget, is continuing. Emphasis is being placed on assessing whether broadening the Retail Sales Tax base to incorporate some goods and services presently excluded, while lowering the tax rate to maintain a constant revenue yield, would give the Province a fairer and simpler tax. Secondly, the school tax review already under way will be completed. For the interim, it must be stated clearly that the existing school tax system will be retained for at least another year. Thirdly, we will be scrutinizing, with a view to possible rationalization, many fees and licences which are annoyances to the businesses and people of the Province, rather than important revenue items. Fourthly, the mining tax review begun last year will be concluded.

ECONOMIC DEVELOPMENT INITIATIVES

Mr. Speaker, this Government will pursue with vigor its sound and rational approach to economic development. The current fisheries crisis threatens to disrupt the social structure of our rural regions and encumber the substantial investments already made throughout the Province by individuals, businesses and government in homes, equipment and infrastructure. This Government is determined to see that these investments of hard work and faith in our Province will bring rewards to those who persevere to secure a brighter economic future. A strategy which emphasizes long term, permanent economic development and diversification will be one of the principle initiatives of this Government.

Mr. Speaker, this Government has moved to establish an Economic Recovery Commission as the focus of its effort to implement this strategy. Funding of $2.1 million has been provided for the Commission in this Budget compared with $900,000 spent in the shorter period last year.

As a result of considerable consultation between the Minister and senior officials of the Department of Development, and the Commission, Government has decided to combine the Newfoundland and Labrador Development Corporation and parts of the Department of Development into a new Crown corporation with a mandate

to deliver all local development and business programs and services to assist new and existing business enterprises. There will be five regional offices - St. John's, Clarenville, Gander, Corner Brook and Goose Bay, with field offices reporting to them in each region. This structure will provide one-stop access to Government with a minimum of red tape, for small and medium-sized enterprises requiring assistance and services. It is the intention of Government to allow a substantial amount of decision making to be made at the regional level, in line with an election commitment. The new corporation will report directly to the Minister of Development. Mr. Speaker, to cover the additional costs of this corporation an amount of $1 million has been approved bringing its total budget to $13.9 million this year.

Mr. Speaker, in keeping with our focus on long term development this Government recognizes the importance to our economy of technological change. I am pleased to announce that financial support has been provided by the Province in the amount of $300,000 for the continued work of the Newfoundland and Labrador Science and Technology Advisory Council. More details of our Government's policy in this area, indicating the role and activities of the Council, will be released shortly.

Government looks forward to pursuing on a priority basis new federal-provincial agreements in several areas including tourism and cultural-historical development, forestry and minerals.

Tourism

Mr. Speaker, I would like to highlight tourism for its potential positive impact on the economy in rural and urban regions both in the short term and in the long term.

This Government has been successful in negotiating a Comprehensive Labrador Subsidiary Agreement with the Government of Canada. The tourism component of this agreement will see $800,000 in new money, cost-shared with the Federal Government, go to various tourism related projects in that region. Funding is also provided to cover the cost of producing a new tourism marketing video which will reinforce our efforts to portray the Province as a distinct and attractive tourist destination. Grants for festivals and special events will also be increased.

This Government sees the Province not only as a seasonal summer destination but also as an all-season tourist alternative. During the past year this Government provided over $1 million for Marble Mountain. I am pleased to report today that we have budgeted considerably more funding for the Marble Mountain Development Corporation this year. With this additional investment, we get closer to generating the private sector interest needed to develop this area into an all season tourist resort. The benefits to the local economy and to the Provincial treasury will be substantial.

At a time when budgetary funds are scarce, I am pleased to indicate that we are maintaining our tourism marketing budget at an all time high.

Trade and Investment

Mr. Speaker, this Government will not ignore the significant opportunities that exist beyond our shores. Particularly do we see the Pacific Rim as a source of investment, a market for our products, and a wealth of business acumen and technical know-how. To enhance our promotional efforts in these nations we are providing $450,000 for an Asian initiative to raise the level of awareness for investment opportunities in this Province. We hope to identify potential joint venture and strategic partnerships as well as new products we can export to these markets. We believe this initiative offers great potential for the growth of trade and investment. Honourable Members should know that hundreds of millions of new investment dollars are entering Canada each year under the Business Immigration Program. Newfoundland and Labrador will be pursuing these dollars under this Asian initiative.

Forestry and Agriculture

Mr. Speaker, the base of a diversified Newfoundland economy will continue to be the resource sectors.

Funds are provided to continue our forestry programs in anticipation of a renewed Forest Resources Development Agreement with the Government of Canada. The current Agreement expires on March 31, but we are confident that a new Agreement will be concluded shortly. A $12.8 million Forest Workers Training Agreement was recently signed with the Federal Government. This unique arrangement will see over $3 million spent annually over the next four years to train over 300 young men and women in many aspects of forest work, especially silviculture.

Funding is provided to complete the work of the Agri-Foods Task Force. This Government believes that we have not yet reached our potential in agricultural production. The report of the Task Force should assist Government in implementing a long term development strategy.

Mining

Geoscientific surveys carried out by the Department of Mines and Energy have played a major role in the increase in mineral exploration in the Province. Last year, when the continuation of federal cost sharing was in doubt, we increased funding to maintain this important activity. Government will continue these surveys this year, although the level of activity will be reduced in keeping with our current program of fiscal restraint. We anticipate that the new Mineral Development Agreement, now in the final stages of negotiations with the Federal Government, will provide additional funding for these surveys.

Fishery

Mr. Speaker, the state of the fishery is of deep concern to the entire Province. I will not try to minimize this concern. At least some segments of the fishery, some

plants, and some communities are facing very lean and unsettled times. This troubles me and the other members of this Honourable House, not only because we have the responsibilities of Government, but also because we have family and friends in these communities, and because we share the strong attachment our people have to their home and to their Province.

But there will be a fishery next year. Plants will be open and people will be employed. The same is true for the year after that, and for as many years to come as any of us can realistically foresee. This Government will continue to support and encourage that fishery, and remains resolutely committed to the fishing industry's being one of the cornerstones of our economy.

In this regard, funding is approved to operate four new Marine Service Centres. Funding to the Fisheries Loan Board for incentives and assistance will be maintained. Cost-shared spending under the Canada-Newfoundland Inshore Fisheries Development Subsidiary Agreement will increase by 25 percent to $3.7 million.

The fisheries component of the Labrador Subsidiary Agreement will provide $7 million of support to the industry over a five-year period. Current and capital expenditures of $1.5 million have been earmarked for this fiscal year. Details of the fisheries component of the Agreement will be announced in the near future. Government is confident that this initiative will have extremely positive implications for the coastal Labrador fishery.

For the first time, Mr. Speaker, provision has been made in the Budget to facilitate the distribution of surplus fish landings during the glut season, and to distribute fish to processing plants in Labrador. An amount of $300,000 has been allotted.

While we are determined to maintain our financial support for the industry, the shortage of fish stocks and consequent reduction in quotas will require an additional response.

This Government already has acted by implementing the Adjustment Program for Fish Plant Workers which will provide $9 million to ensure that workers in the processing plants in Trepassey, Grand Bank and Gaultois will have an adequate notice of termination.

The magnitude of the supply crisis for some communities, however, goes beyond what the Province of Newfoundland can be expected to bear alone. Nor should we have to bear this alone because the supply crisis is not of our making. The jurisdiction and responsibility to manage the stock lies with the Federal Government. They have to accept the reality that their quota reductions have led to dire consequences that threaten the very existence of entire communities in this Province and throughout Atlantic Canada. It is not the fishermen, plant workers or fish companies who control the state of the stocks, yet it is they who suffer from the mismanagement of the resource. The responsibility of the Federal Government to act is clear. One-industry communities cannot be expected in the short time given to absorb the shock of drastic quota reductions.

Last week's Throne Speech clearly outlined this Government's position with respect to the supply problems in the fishery. We have already indicated to the Government of Canada that the Province is prepared, within its financial capability, to share the costs of a comprehensive fisheries revitalization and economic diversification program. A broadly based economic response program must be implemented to address the social and economic consequences of the stock rebuilding process. This Government will continue to press for federal action.

HEALTH CARE INITIATIVES

Mr. Speaker, this Budget reflects Government's continued commitment to the health care system. The budgetary allocation to health will increase by $74 million, a growth rate of ten percent over the 1989-90 fiscal year.

In the recent Throne Speech, the Government outlined its concern about the considerable pressure that has been exerted on the health system in recent years and indicated that planning is now underway to develop a framework for a comprehensive new Community Health Care Program.

Government is concerned about beds being closed in medical facilities throughout the Province, due to insufficient funding. Mr. Speaker, in this Budget, we have made funding available to these institutions to enable them to open 88 of those beds.

This year, additional funding will be provided to the General Hospital to enhance critical care services, with particular emphasis on cardiac surgery. I am pleased to announce that the General Hospital will receive funding to open 15 additional beds, including four beds in the newly redeveloped critical care area. A total of 40 additional beds are being opened at hospitals in Gander, Grand Falls and Corner Brook.

Government also recognizes the pressures on the Province's nursing homes, particularly in view of the changing demographics of our society. To assist in meeting the ever increasing demand for chronic care in nursing homes, funding will be provided to enable the Agnes Pratt Home to open 13 additional beds. Also, funding will be provided to open 20 additional beds at the Dr. Hugh Twomey Health Centre in Botwood.

Mr. Speaker, Government continues its commitment to increase the number of nursing positions in the health care system. In my last Budget, I announced the establishment of a minimum of 45 new nursing and resident care positions in the health system. I am pleased to announce today that another 33 nursing positions will be approved for the health system by October 1. As well, effective April 1 funding will be provided for 32 additional residential care staff for the Province's nursing homes. All of these nursing and other positions are in addition to those required to open the 88 beds referred to previously.

Additional funding is provided to assist in integrating children with disabilities into the regular school system and to meet their special health care needs.

This year, in cooperation with Health and Welfare Canada, the Department of Health will commence a five-year initiative to address cardiovascular disease through public education and prevention. Also, funding will be provided to expand our initiatives in public education with respect to AIDS prevention.

The Government recognizes the importance of the services provided by the Newfoundland Cancer Treatment and Research Foundation. I am very pleased to announce a joint venture with the Cancer Foundation under which Government will provide $5.4 million of the projected $6.9 million cost of new facilities, adjacent to the Health Sciences Centre. In 1990-91, $1.9 million of the Government's commitment will be provided to enable this project to get under way.

As a further step in rationalizing health care services on the Burin Peninsula, I am pleased to announce that funds are being provided for the planning of a new community health centre for Grand Bank and for a new 40 bed nursing home in St. Lawrence.

Planning funds will be provided for the redevelopment of James Paton Memorial Hospital in Gander, for the redevelopment of Brookfield Hospital, for new community health centres and long term care facilities at Burgeo and Port Saunders, and for the redevelopment of the Interfaith Senior Citizens Home in Corner Brook. The Government will also be taking preliminary steps to assess the manner in which the need for nursing home facilities in the Port aux Basques area can best be addressed. Also, funding is allocated for the completion of the Roddickton Community Health Centre.

Mr. Speaker, in total $22.8 million will be allocated in this Budget to support capital improvements in the health care system.

EDUCATION INITIATIVES

Mr. Speaker, education is a key component of this Government's long term economic strategy. We are committed to improving the quality and accessibility of educational opportunities throughout the Province. The measures announced today will enhance the efficiency and equity of our education programs.

Funding has been provided to increase the per pupil operating grants to school boards by four percent. The School Tax Equalization Grant will be maintained at $10 million this year, up from $4.5 million in 1988. The budget for building and equipping schools will be $27 million, including $1 million for making school buildings more accessible to people with disabilities. As well, there will be a $200,000 increase in scholarship funding for secondary school students. Mr. Speaker, I am pleased to announce that we are making an additional $1.7 million available for student aid, which represents an 11 percent increase in funding over last year.

Government's recent White Paper on post-secondary education presents proposals to improve greatly the equality, excellence and efficiency of the post-secondary education system in this Province. Consistent with the high priority placed on education, capital funding is provided for the planning of both the Central

Newfoundland Campus and the expansion of the Grenfell College in Corner Brook. The $10 million capital budget for Memorial University includes provision for an extension to the Arts and Administration Building, improvements to the Schools of Pharmacy and Nursing, as well as for the construction of a facility for small animal care.

Funding of $1.7 million is allocated to commence the construction of an $8 million extension to the Fisher Institute in Corner Brook. Planning funds have been provided for a Centre for Engineering Technology in St. John's. The capital budget for the Marine Institute will exceed $10 million, including funds for the establishment of a Simulator Training Centre and an Offshore Survival Centre, both to be financed primarily from the Offshore Development Fund. Mr. Speaker, I am pleased to announce that this year Education's total capital budget will be $60 million.

The Department of Education will work with the education community to develop and implement specific measures to improve efficiency and cost-effectiveness.

Mr. Speaker, the Department of Education has launched a major initiative to prepare high school students to meet the modern challenges of mathematics, science and technology, by using savings achieved this past year to purchase computers and other instructional materials. This $2 million initiative, $1.5 million of which was for computers, will result in a significant improvement in the quality of high school education in the Province.

OTHER INITIATIVES

Government Pension Plans

Mr. Speaker, in the 1989 Budget Speech, I expressed Government's concern with the financial condition of the four pension plans covering public servants, teachers, uniformed services personnel and MHAs. Because of this concern, Government appointed a Commission of Enquiry On Pensions to review the plans. The final Report of the Commission should be ready for Government's consideration in the very near future. I am confident that this Report will be an essential ingredient in Government's formulation of appropriate measures to resolve the financial difficulties being experienced by the pension plans.

With the financial position of Government's pension plans in mind, Government has decided to make an immediate special payment of $21 million into the Pension Fund in 1989-90. This payment, made during a time when the Province's economy is feeling the effects of problems in the fishery and a general slowdown in other areas, should give a clear indication to all employees of Government's commitment to doing its share towards putting the pension plans on a sound financial basis.

Mr. Speaker, in view of the fact that the Commission of Enquiry Report is not yet available, Government has decided to defer for the time being any decision regarding increases to pensioners. This subject will be addressed in the near future

after reference to the Commission's Report and in the context of possible indexation of Government's pension plans.

Social Services

Mr. Speaker, Government views with alarm the dramatically increasing incidence of child abuse referrals in this Province. Child abuse is not a new phenomenon and neither is it unique to this Province. A large segment of our society now appears ready to report openly and discuss this complex and unacceptable problem. Accordingly, I am pleased to announce that funding has been provided in the Budget for 50 new front-line positions in child welfare services.

Government is committed to improving the quality and quantity of services to those who need assistance of various kinds. To this end, I am pleased to announce that allowances paid to social assistance recipients will increase by four percent, effective May 1. Allowances for foster parents will also increase by four percent while the clothing allowance for foster children will increase by 20 percent.

Mr. Speaker, $8.3 million has been provided to accelerate construction of the new young offenders facility at Whitbourne.

Mr. Speaker, one of the great success stories of this Province is the outstanding community service provided by an organization called the HUB, which provides jobs, recreation, and personal services to physically disabled persons. We are aware of the extremely crowded conditions under which they presently operate. I am, therefore, very proud to announce that to assist them to provide additional opportunities to those among us who are physically disabled, this Government is enabling the HUB to extend their building by providing a capital grant of $1 million.

The Department of Social Services is one of the most decentralized departments in Government with 53 offices located throughout the Province. We have approved the development of a major computer system to facilitate and further enhance the delivery of social services and programs to all regions of the Province.

Justice

Mr. Speaker, both the Royal Newfoundland Constabulary and the Royal Canadian Mounted Police are faced with increased workloads, including cases involving child abuse. Government is committing sufficient funds for the deployment of up to five percent more police officers across the Province. This will be accomplished through the hiring of additional officers and the more effective re-deployment of existing officers now performing civilian work. This measure, combined with the allocation of additional resources for front-line social work positions, represents a major step in the prevention of the abuse of children, and will provide additional resources to assist the police forces in all areas of their work.

Employment Initiatives

Mr. Speaker, Government will continue to provide several programs to help women, students, older workers and youth take advantage of job opportunities. We will adhere to the objective of creating meaningful, long term employment for all of our labour force.

The Graduate Employment Program to help post-secondary education graduates obtain job related experience will continue. The Provincial Government will participate in the joint Federal-Provincial Program for Older Worker Adjustment.

Provincial funding will continue for the Canada-Newfoundland Employment Strategy Program, with major emphasis being placed on enabling people in the 16 to 24 age group to make the transition from school to work. Funding is provided through this program for the ongoing development of a Provincial Career and Labour Market Resource Centre. A computer network will ensure that career and labour market information is easily accessible in all areas of the Province.

Women's Issues

This Government is firmly committed to improving the economic and social well-being of women. The Budget is providing $6.3 million to support pay equity in the health sector. Operating funding of $100,000 is provided for a new transition house in Gander. Eligibility criteria have been modified to enable more single-parent families to obtain subsidized daycare. Changes in the student aid program will provide for single parents and married students additional funding estimated to reach $500,000. There is more money for programs to assist women obtain employment, including $500,000 for the Women in Successful Employment Program, a program of flexible learning, counselling and other self-development assistance. There will be continued funding of $300,000 for the Newfoundland and Labrador Advisory Council on the Status of Women and for the Interagency Committee on Violence Against Women. These and other initiatives demonstrate, Mr. Speaker, this Government's continued commitment to women's issues.

Transportation

Mr. Speaker, this Government will continue its efforts to improve the Province's road system through an extensive construction program. We have provided $80.5 million for further road upgrading, primarily of the Trans Canada Highway, under the ERDA agreement and the Newfoundland Transportation Initiative. Expenditures under the Provincial Road and Bridge Program will total $30 million this coming year. Under the Comprehensive Labrador Subsidiary Agreement, we are providing $3 million for the Charles River Bridge at Lodge Bay, Labrador.

This Government is providing improved ferry services to the island communities of the Province. We are entering the second year of a three-year plan to reduce marine services rates to equivalent road transportation costs. Construction will begin on a new ferry with ice breaking capabilities for the Fogo Island service. The vessel

will be built at the Marystown Shipyard at a cost of $24 million, $4 million of which will be spent this coming year. Also, $12.5 million is allocated for the operation of the Provincial ferry system.

Municipal Capital Program

Mr. Speaker, Government will support the expenditure of $55 million this year on water, sewer and paving projects in communities throughout the Province. Details have already been announced to facilitate early tendering and construction.

Crown Corporations

Government has approved a capital budget of $98.7 million for the Newfoundland and Labrador Housing Corporation. These funds will be used to deliver over 300 new social housing units throughout the Province, and to upgrade approximately 2,000 homes through the RRAP program.

Newfoundland and Labrador Hydro expects to spend $97 million on capital projects to improve electrical generation and transmission facilities.

CONCLUSION

Mr. Speaker, this Budget has been prepared within an environment of adversity. The fishery is beset with serious problems. The economy is slowing in other areas, though it is not without its bright spots. The Federal Government's high interest rate policy is restraining business in parts of the country, like Newfoundland, where restraint is not needed. The recent Federal Budget has reduced EPF transfers for health and post-secondary education services, at a time when the need for those services is great. And, we will feel the impact of the GST in this budget year, an impact which we know will be considerable in many different ways.

Despite this difficult environment, the Government has taken important initiatives towards achieving its objectives in economic development, health care and education. We have shown our sincere commitment to solving the problems of our pension plans by making a sizeable special payment into the Pension Fund. We have restrained Government's operating expenditures both by general cuts across departments and by specific measures to eliminate wasteful and unproductive expenditures. And where we have raised additional revenues, we have done so without regressive tax measures.

In summary, Mr. Speaker, the fiscal and economic plan contained in this Budget is based upon a prudent and realistic assessment of what we can achieve over the coming year.

We are refocussing both the substance and the delivery mechanisms of Government's programs to meet the needs of the people of this Province.

Mr. Speaker, a major transformation of the Province's economy cannot be achieved overnight. This Budget clearly demonstrates, however, that the groundwork has been set for creating a stronger economy and a meaningful and productive lifestyle for Newfoundlanders and Labradorians in all regions of the Province.

ECONOMIC AND FISCAL PERFORMANCE

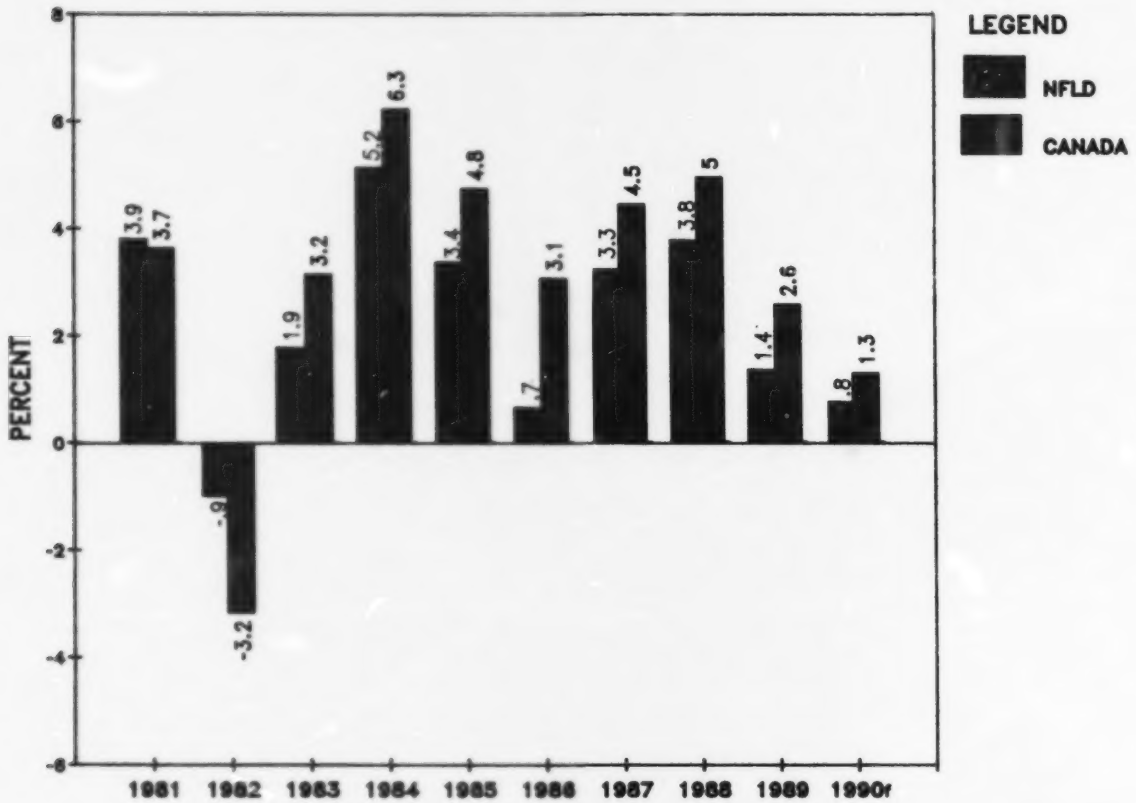
ECONOMIC AND FISCAL PERFORMANCE

	Chart
Real GDP Growth	1
Unemployment Rate	2
CPI Inflation Rate	3
EPF Cash Transfer Growth	4
EPF Share of Health and Post-Secondary Education Costs	5
Current Account Surplus/Deficit	6
Total Budgetary Requirement	7
Budgetary Requirement Per Capita by Province	8
Current Account Revenues vs. Net Program Expenditures	9
Net Public Sector Debt Per Capita by Province	10

ECONOMIC PERFORMANCE

CHART 1

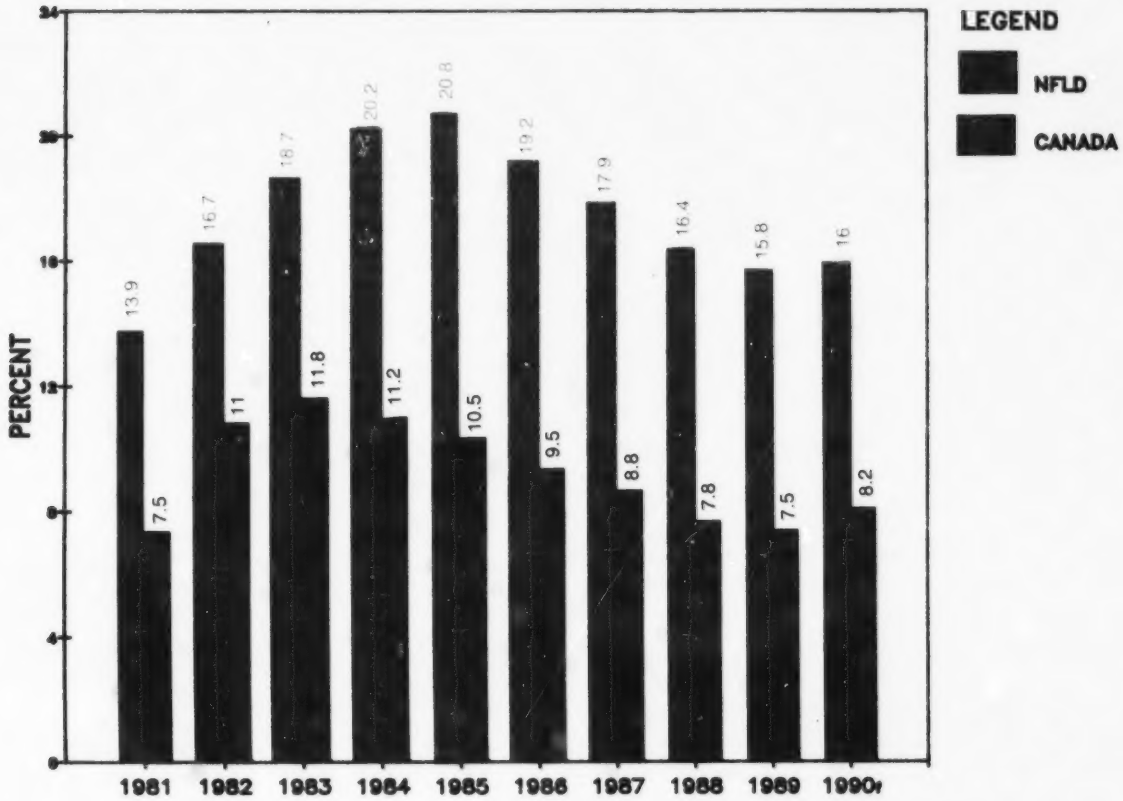
REAL GDP GROWTH
NEWFOUNDLAND & CANADA
1981 to 1990



- **Economic growth in the Province lagged that of the rest of Canada since the early 1980s.**

CHART 2

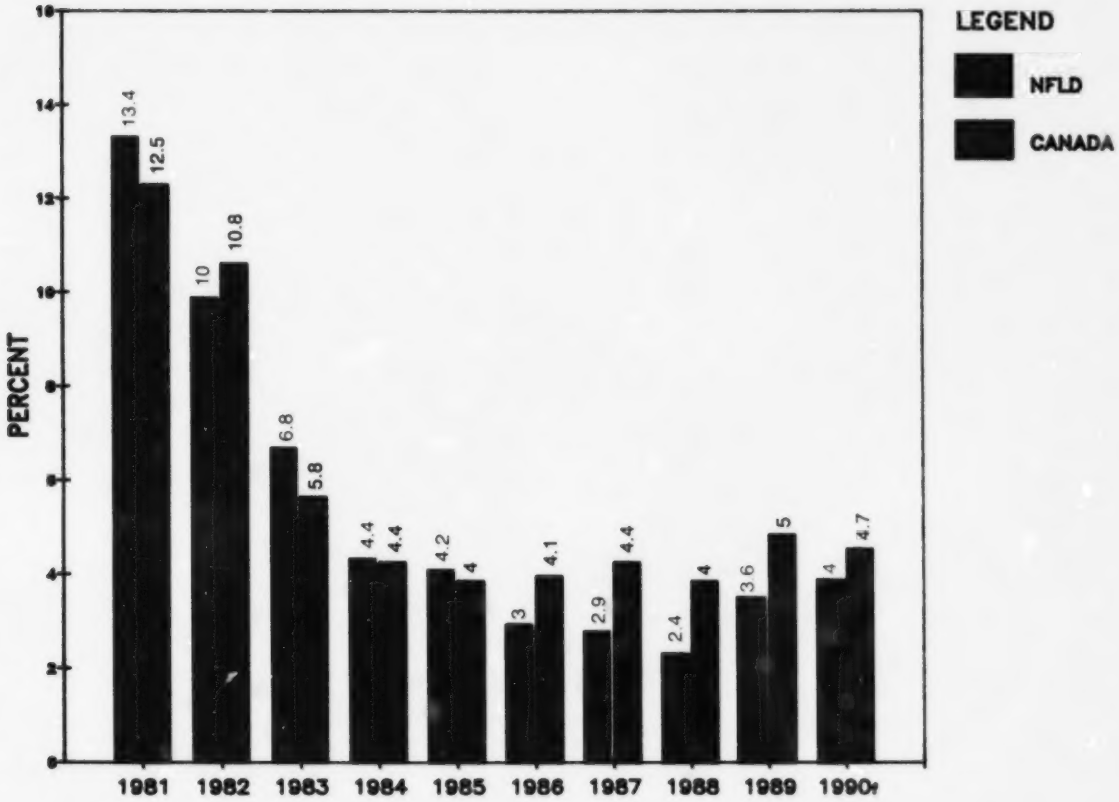
THE UNEMPLOYMENT RATE NEWFOUNDLAND & CANADA 1981 TO 1990



- **The unemployment rate has fallen from its 1985 peak.**
- **A large differential remains between Newfoundland and the rest of Canada.**

CHART 3

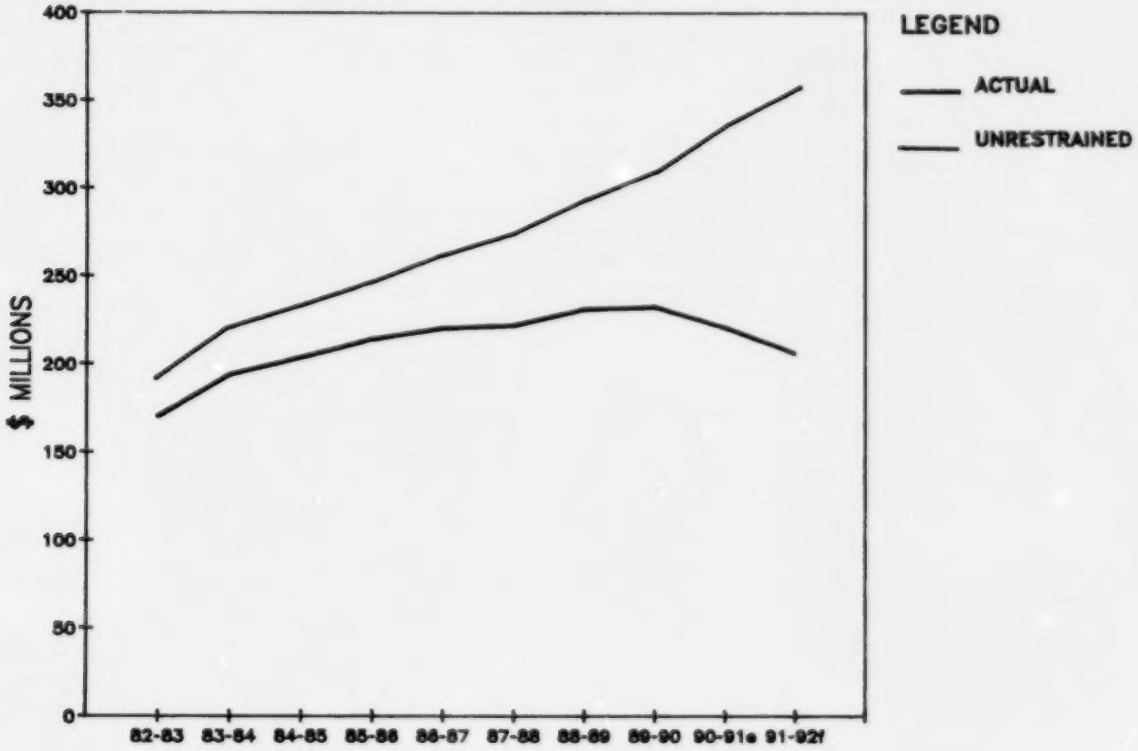
CPI INFLATION RATE
NEWFOUNDLAND & CANADA
1981 TO 1990



- **Inflationary pressures during most of the 1980s have been stronger nationally than in Newfoundland.**

CHART 4

EPF CASH TRANSFERS
ACTUAL VS. UNRESTRAINED GROWTH
NEWFOUNDLAND
1982-83 TO 1991-92

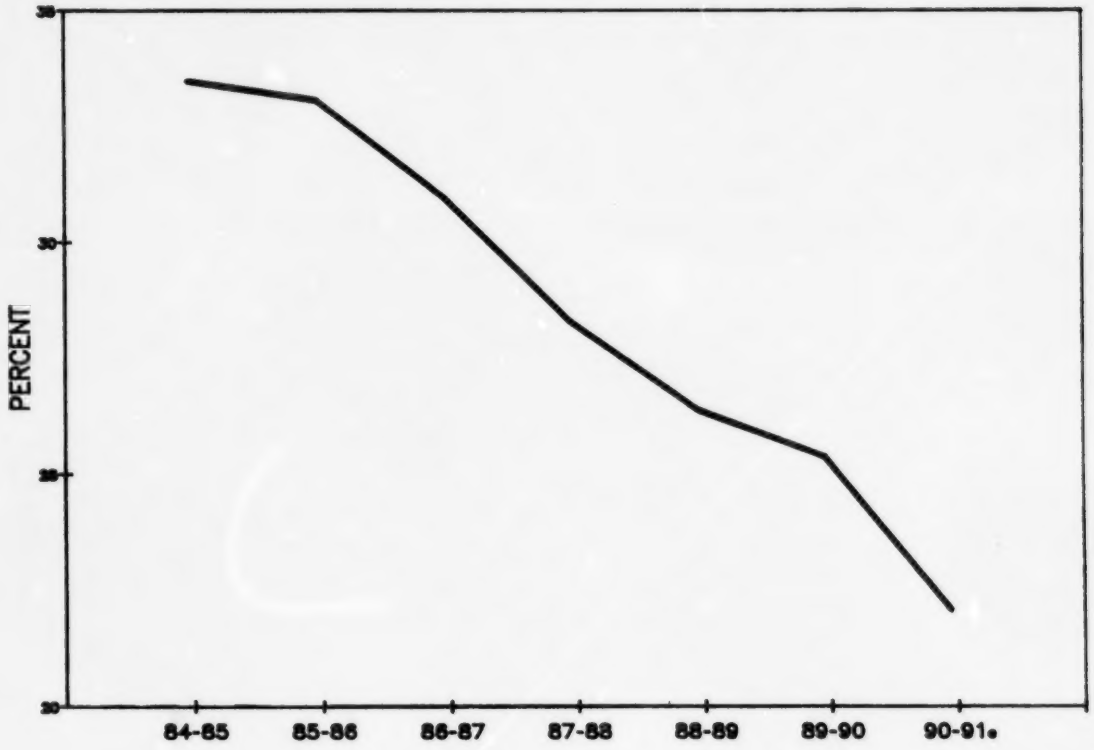


- **The 1990 Federal Budget freeze on EPF transfers will cost the Province $19 million in 1990-91 and $34 million in 1991-92.**

- **The cumulative impact of all EPF restraint measures since 1982-83 is approximately $600 million.**

CHART 5

EPF CASH TRANSFERS AS A PERCENT OF HEALTH CARE AND POST-SECONDARY EDUCATION COSTS - NEWFOUNDLAND 1984-85 TO 1990-91

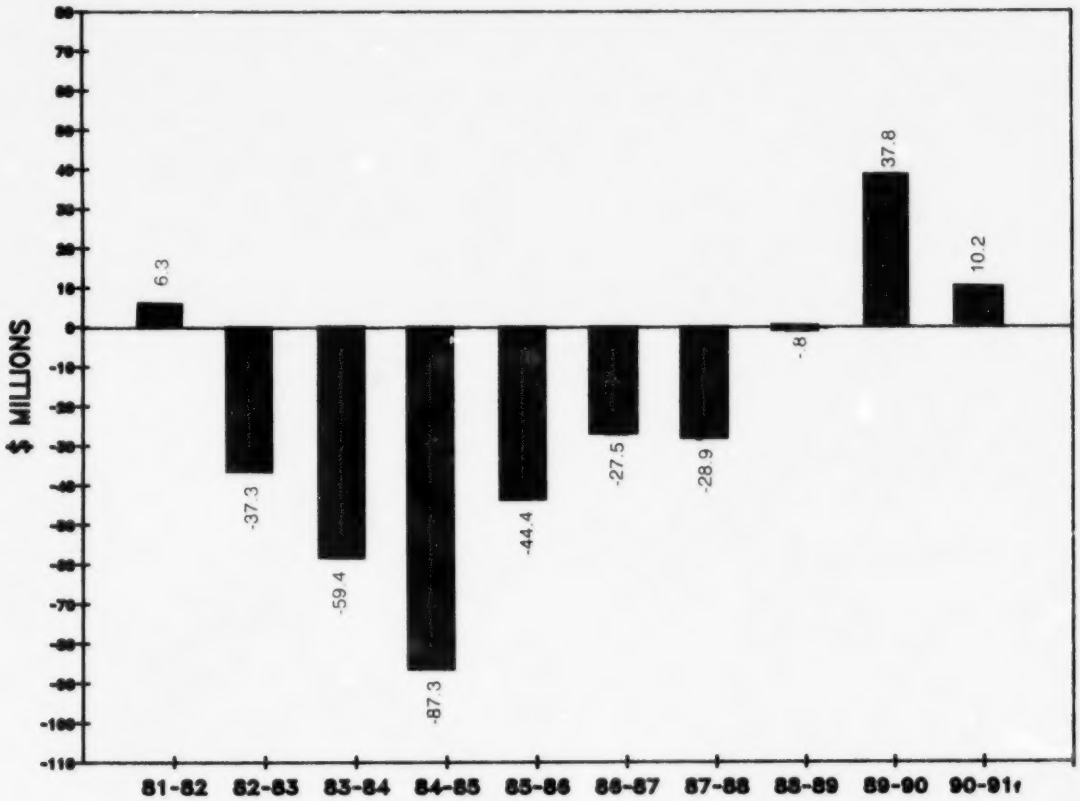


- **The federal share of total health and post-secondary education expenditures continues to decline.**

- **The Province's share of the total expenditures increased by more than ten percentage points since 1984-85.**

CHART 6

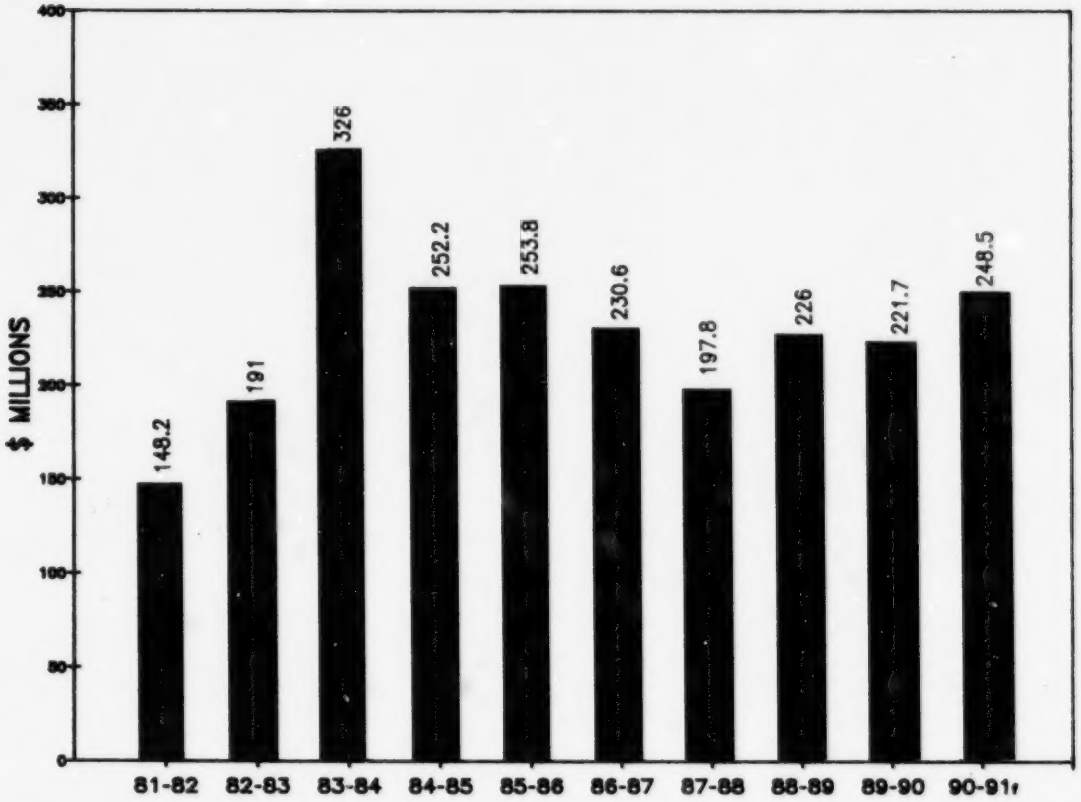
CURRENT ACCOUNT SURPLUS / DEFICIT
NEWFOUNDLAND
1981-82 TO 1990-91



- **After seven years of deficits, a current account surplus has been budgeted for the second consecutive year.**

CHART 7

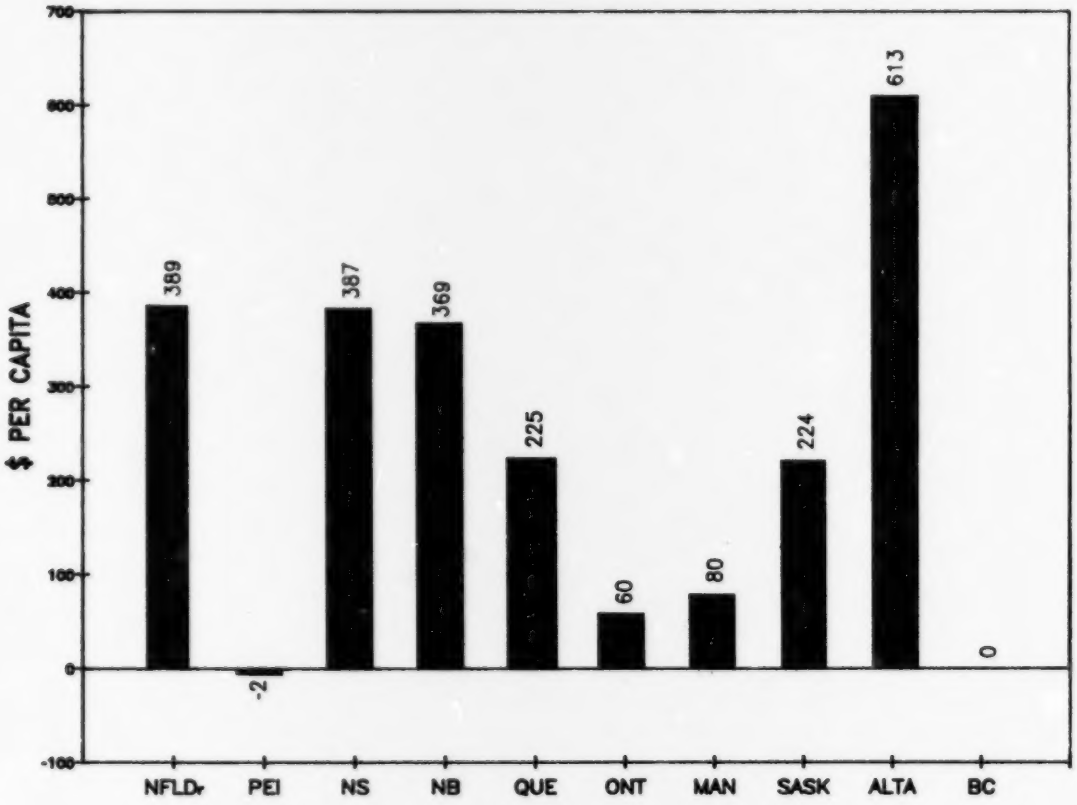
TOTAL BUDGETARY REQUIREMENT NEWFOUNDLAND 1981-82 TO 1990-91



- **Increasing pressure on the total budgetary deficit for 1990-91 is a result of slower economic growth and restraint in federal transfers.**

CHART 8

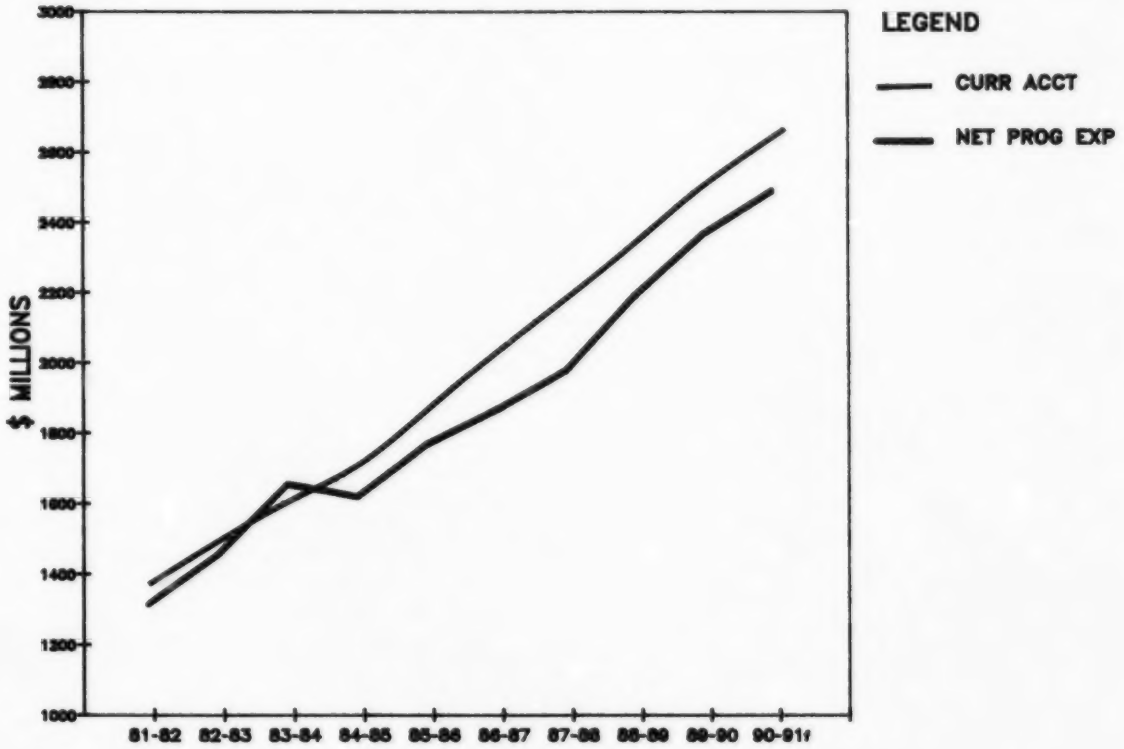
PROVINCIAL TOTAL BUDGETARY REQUIREMENT PER CAPITA 1989-90



- **Newfoundland's total budgetary deficit per capita is one of the highest in Canada.**
- **Eight of the ten provinces anticipated deficits for the 1989-90 fiscal year.**

CHART 9

CURRENT ACCOUNT REVENUES VS. NET PROGRAM EXPENDITURES NEWFOUNDLAND 1981-82 TO 1990-91

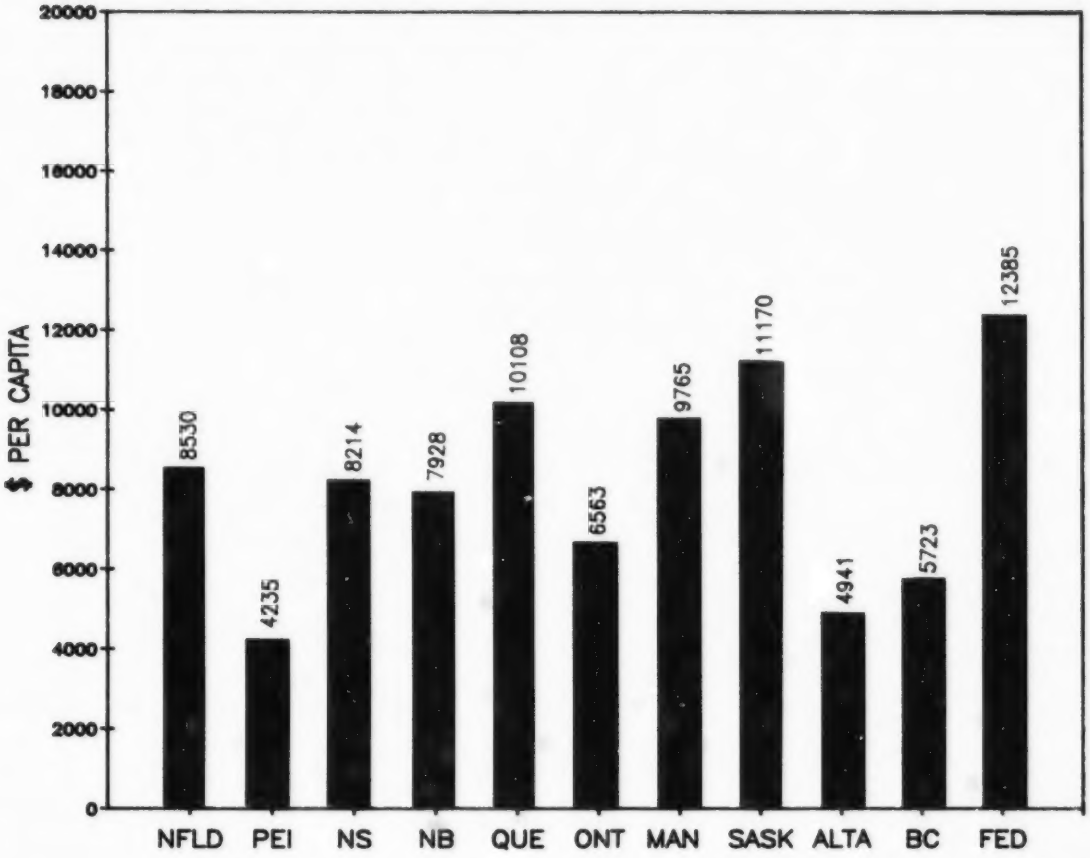


- **Net program expenditures include net current and capital expenditures less net debt charges.**

- **Over the last six years, the Province generated sufficient revenues to cover its program expenditures.**

CHART 10

NET PUBLIC SECTOR DEBT PER CAPITA
YEAR ENDED MARCH 31, 1989



- **Newfoundland has the fourth largest net debt per capita among the provinces.**

- **The financial flexibility of the Province is limited by a high level of debt.**

BUDGET
1990

STATEMENTS:

		Page
I	Summary of Borrowing Requirements and Sources of Funds	i
II	Comparative Summary of Current Revenues	ii
III	Summary of Current and Capital Account Expenditures	iii
IV	Summary of Current Account Expenditures	iv
V	Summary of Capital Account Expenditures	v
VI	Summary of Related Revenues and Expenditures by Main Object and Sector	vi

EXHIBITS:

I	Selected Economic Statistics 1986-1989	vii
II	Estimated Provincial and Federal Revenues 1990-91 (Estimates) and 1989-90 (Revised)	viii
III	Current and Capital Revenues by Provincial and Federal Sources 1986-87 to 1990-91	ix
IV	Expenditure Summary 1990-91 (Estimated) and 1989-90 (Revised)	x
V	Public Sector Debt as at March 31, 1986-1990	xi
VI	Summary and Chart — "Where the Money Comes From"	xii
VII	Summary and Chart — "Where the Money Goes"	xiii
VIII	Summary and Chart — Capital Account Expenditures	xiv
IX	Summary and Chart — Gross Government Expenditure	xv
X	Summary and Chart — Budgetary Financing Sources	xvi
XI	Summary of Salary Costs by Department	xvii
XII	Estimated Interest and Debt Retirement 1990-91	xviii
XIII	Details of Capital Expenditures	xxi

STATEMENT I

NEWFOUNDLAND AND LABRADOR

SUMMARY OF BORROWING REQUIREMENTS AND SOURCES OF FUNDS

1990-91 and 1989-90 (Revised)

	1990-91 Estimates		1989-90 Revised	
	($000)	($000)	($000)	($000)
BUDGETARY REQUIREMENTS				
Current Account				
Gross Expenditure	**2,951,838**		2,789,656	
Related Revenues	**311,181**		301,900	
Net Expenditure	**2,640,657**		2,487,756	
Provincial and Federal Revenues	**2,650,900**		2,525,600	
Financial Contribution		**(10,243)**		(37,844)
Capital Account				
Gross Expenditure	**367,519**		352,634	
Related Revenues	**108,767**		93,057	
Net Expenditure		**258,752**		259,577
TOTAL BUDGETARY REQUIREMENTS		**248,509**		221,733
NON-BUDGETARY TRANSACTIONS				
DEBT RETIREMENT				
Redemptions (See Appendix II)	**180,873**		116,615	
Sinking Funds (See Appendix II)	**64,875**		59,342	
		245,748		175,957
TOTAL BORROWING REQUIREMENTS		**494,257**		397,690
SOURCES OF BORROWINGS				
General Borrowings (Note 1)		**464,667**		352,502
Canada Pension Plan		**29,590**		45,188
TOTAL SOURCES		**494,257**		397,690

Note 1: General borrowings include capital market issues, short term credit and treasury bills.

STATEMENT II

COMPARATIVE SUMMARY OF CURRENT REVENUES

1990-91 Estimates and 1989-90 Revised

	1990-91 Estimates	1989-90 Revised
	($000)	($000)
PROVINCIAL:		
Taxation:		
Retail Sales Tax	**596,000**	561,000
Personal Income Tax	**425,300**	405,700
Gasoline Tax	**83,800**	79,700
Corporate Income Tax	**64,700**	55,300
Tobacco Tax	**51,000**	50,000
Mining Tax and Royalties	**24,900**	22,600
Health and Post-Secondary Education Tax	**15,000**	–
Other	**20,300**	17,200
	1,281,000	1,191,500
General Revenues:		
Newfoundland Liquor Corporation	**81,500**	79,000
Vehicle and Drivers Licences	**31,000**	29,000
Lottery Revenues	**16,000**	15,700
Registry of Deeds	**10,630**	7,900
Fines and Forfeitures	**6,575**	5,000
Other	**15,695**	13,600
	161,400	150,200
Expenditure Programs — Related Revenues:		
Recoveries—Sinking Fund Surpluses	**27,621**	37,060
Interest Income	**57,309**	66,140
Other	**40,805**	30,733
	125,735	133,933
TOTAL: PROVINCIAL REVENUES	**1,568,135**	1,475,633
GOVERNMENT OF CANADA:		
Fiscal Transfer Payments:		
Equalization Payments	**966,900**	941,700
Established Programs Financing Grant	**223,000**	224,000
Provincial Share of Utility Companies Tax	**8,856**	8,456
Term 29 Award	**8,000**	8,000
Statutory Subsidies	**1,744**	1,744
	1,208,500	1,183,900
Cost Shared Programs:		
Canada Assistance Plan	**115,620**	102,348
Resource	**13,983**	10,783
Offshore Fund	**3,237**	5,442
Manpower Training	**15,694**	11,177
Native Peoples	**6,632**	6,038
Other	**30,280**	32,179
	185,446	167,967
TOTAL: GOVERNMENT OF CANADA REVENUES	**1,393,946**	1,351,867
TOTAL: CURRENT REVENUES	**2,962,081**	2,827,500

STATEMENT III

SUMMARY OF CURRENT AND CAPITAL ACCOUNT EXPENDITURES

1990-91 and 1989-90 Revised

	1990-91			1989-90
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	$	$	$	$
General Government Sector				
Consolidated Fund Services	548,703,600	67,902,400	480,801,200	485,420,400
Executive Council	14,880,500	601,100	14,279,400	13,991,500
Finance	49,742,400	5,950,200	43,792,200	39,250,500
Legislature	9,855,700	460,200	9,395,500	10,720,200
Public Service Commission	4,082,000	142,400	3,939,600	3,349,000
Works, Services and Transportation	289,282,700	70,938,300	218,344,400	208,950,800
Resource Sector				
Development	60,501,600	24,593,900	35,907,700	40,334,000
Environment and Lands	23,279,400	1,848,800	21,430,600	22,812,800
Fisheries	48,492,200	17,200,900	31,291,300	33,355,700
Forestry and Agriculture	64,059,900	20,114,400	43,945,500	42,204,200
Mines and Energy	26,058,300	908,000	25,150,300	38,433,200
Social Sector				
Education	775,332,600	36,921,100	738,411,500	695,184,500
Employment and Labour Relations	27,250,000	5,522,000	21,728,000	9,209,900
Health	834,111,500	29,315,700	804,795,800	730,715,900
Justice	107,779,600	5,678,600	102,101,000	94,359,900
Municipal and Provincial Affairs	171,772,600	23,458,900	148,313,700	142,342,200
Newfoundland and Labrador Housing Corporation	15,915,000	4,250,000	11,665,000	9,094,000
Social Services	248,257,800	104,141,200	144,116,600	127,604,800
TOTAL	3,319,357,400	419,948,100	2,899,409,300	2,747,333,500

AMOUNT TO BE VOTED 1990-91

Gross Current and Capital Expenditure		**$3,319,357,400**
Less: Expenditures Approved by Statute		
Interest	**472,220,300**	
Pensions and Gratuities	**50,192,300**	
Rental Purchases	**761,600**	
Debt Management Expenses	**7,967,200**	
Issues under Guarantee	**15,700,000**	
Salaries (Comptroller General and Auditor General)	**178,700**	**547,020,100**
Amount to be voted by Supply Bill		**$2,772,337,300**

STATEMENT IV

SUMMARY OF CURRENT ACCOUNT EXPENDITURES

1990-91 and 1989-90 Revised

	1990-91			1989-90
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	533,004	67,902	465,102	444,553
Executive Council	14,660	601	14,059	13,512
Finance	45,179	4,087	41,092	39,768
Legislature	9,856	460	9,396	10,720
Public Service Commission	4,082	142	3,940	3,349
Works, Services and Transportation	129,855	10,017	119,838	111,489
Resource Sector				
Development	48,792	19,419	29,373	33,652
Environment and Lands	22,182	1,576	20,606	21,887
Fisheries	22,722	5,173	17,549	17,275
Forestry and Agriculture	52,586	13,855	38,731	38,569
Mines and Energy	25,944	908	25,036	40,961
Social Sector				
Education	715,231	25,364	689,867	648,301
Employment and Labour Relations	27,250	5,522	21,728	9,210
Health	811,278	27,651	783,627	712,989
Justice	104,310	5,679	98,631	92,830
Municipal and Provincial Affairs	130,104	14,434	115,670	113,829
Newfoundland and Labrador Housing Corporation	15,915	4,250	11,665	10,670
Social Services	238,888	104,141	134,747	124,192
TOTAL	2,951,838	311,181	2,640,657	2,487,756

STATEMENT V

SUMMARY OF CAPITAL ACCOUNT EXPENDITURES

1990-91 and 1989-90 Revised

	1990-91			1989-90
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	15,700	1	15,699	40,867
Executive Council	220	-	220	480
Finance	4,563	1,863	2,700	(517)
Works, Services and Transportation	159,428	60,921	98,507	97,461
Resource Sector				
Development	11,710	5,175	6,535	6,682
Environment and Lands	1,097	272	825	926
Fisheries	25,770	12,028	13,742	16,081
Forestry and Agriculture	11,474	6,260	5,214	3,635
Mines and Energy	114	-	114	(2,528)
Social Sector				
Education	60,102	11,557	48,545	46,883
Health	22,833	1,665	21,168	17,727
Justice	3,470	-	3,470	1,530
Municipal and Provincial Affairs	41,668	9,025	32,643	28,513
Newfoundland and Labrador Housing Corporation	-	-	-	(1,576)
Social Services	9,370	-	9,370	3,413
TOTAL	367,519	108,767	258,752	259,577

Note: For details refer to Appendix III.

STATEMENT VI

SUMMARY OF RELATED REVENUES AND EXPENDITURES
BY MAIN OBJECT AND SECTOR
1990-91 and 1989-90 Revised

	General Government Sector 1990/91	Resource Sector 1990/91	Social Sector 1990/91	Total 1990/91	% of 1990/91 Total	Total 1989/90 Revised
	($000)	($000)	($000)	($000)	%	($000)
Current:						
Salaries	95,964	55,717	165,542	317,223	10.8	307,754
Employee Benefits	71,427	163	406	71,996	2.4	78,444
Transportation and Communications	10,136	10,693	15,493	36,322	1.2	36,739
Supplies	38,070	11,630	14,814	64,514	2.2	63,506
Professional Services	21,037	8,156	55,675	84,868	2.9	76,478
Purchased Services	39,872	17,267	16,441	73,580	2.5	72,780
Property, Furnishings and Equipment	315	1,538	2,012	3,865	0.1	5,532
Loans, Advances and Investments	10	–	–	10	0.0	110
Allowances and Assistance	3,539	409	239,247	243,195	8.2	214,494
Grants and Subsidies	6,004	58,521	1,516,921	1,581,446	53.6	1,480,702
Debt Expenses	473,997	–	822	474,819	16.1	453,117
Expenditure by Sector before Recharges	760,371	164,094	2,027,373	2,951,838	100.0	2,789,656
Voted in Other Departments and Divisions	2,618	8,132	15,533	26,283		25,011
Provided in Other Departments	20	–	70	90		439
Recharged to other Departments and Divisions	(26,373)	–	–	(26,373)		(25,450)
Gross Current Expenditure	736,636	172,226	2,042,976	2,951,838		2,789,656
Federal Revenue Sources	2,301	29,671	153,474	185,446	59.6	167,967
Provincial Revenue Sources	80,908	11,260	33,567	125,735	40.4	133,933
Total Current Related Revenues	83,209	40,931	187,041	311,181	100.0	301,900
Net Current Expenditure	653,427	131,295	1,855,935	2,640,657		2,487,756
Capital:						
Salaries	11,244	299	7	11,550	3.1	10,232
Employee Benefits	15	–	–	15	0.0	17
Transportation & Communications	1,884	10	–	1,894	0.5	1,484
Supplies	1,968	115	18	2,101	0.6	1,947
Professional Services	862	55	5	922	0.3	694
Purchased Services	116,625	695	1,520	118,840	32.3	113,630
Property, Furnishings and Equipment	57,179	19,097	20,696	96,972	26.4	74,849
Loans, Advances and Investments	20,003	17,700	350	38,053	10.3	66,659
Grants and Subsidies	552	11,990	83,259	95,801	26.1	81,560
Debt Expenses	1,126	–	245	1,371	0.4	1,562
Expenditure by Sector before Recharges	211,458	49,961	106,100	367,519	100.0	352,634
Voted in Other Departments & Divisions	7,840	204	30,932	38,976		24,943
Provided in Other Departments	260	–	411	671		923
Recharged to Other Departments & Divisions	(39,647)	–	–	(39,647)		(25,866)
Gross Capital Expenditure	179,911	50,165	137,443	367,519		352,634
Federal Revenue Sources	60,466	12,385	22,031	94,882	87.2	72,016
Provincial Revenue Sources	2,319	11,350	216	13,885	12.8	21,041
Total Capital Related Revenues	62,785	23,735	22,247	108,767	100.0	93,057
Net Capital Expenditure	117,126	26,430	115,196	258,752		259,577
Total Net Expenditure	770,553	157,725	1,971,131	2,899,409		2,747,333

EXHIBIT I

SELECTED ECONOMIC STATISTICS

1986 to 1989

	1989	% Change	1988	% Change	1987	% Change	1986
Population (000's) — as of June 1	570	0.4	568	0.0	568	0.0	568
Gross Domestic Product ($ Millions)**	7,536*	7.4	7,017	5.7	6,641	9.3	6,076
Total Personal Income ($ Millions)	8,542*	8.6	7,867	8.3	7,267	9.4	6,640
Per Capita Personal Income ($)	14,986*	8.2	13,850	8.3	12,792	9.5	11,684
Labour Force (000's) (Annual Average)	238	3.0	231	3.6	223	0.9	221
Employment (000's) (Annual Average)	201	4.1	193	5.5	183	2.2	179
Unemployment Rate (%) (Annual Average)	15.8	-3.7	16.4	-8.4	17.9	-6.8	19.2
Wages and Salaries ($ Millions)	4,100*	8.9	3,766	7.6	3,499	7.7	3,250
Consumer Price Index (1981 = 100) (Annual Average)	143.6	3.6	138.6	2.4	135.4	2.9	131.6
Total Volume of Fish Landings (Thousands of Metric Tonnes) (Roundweight)	493.6*	-8.8	541.2*	8.7	498.1*	-3.3	514.8*
Total Value of Fish Landings ($ Millions)	253.1*	-9.3	279.0*	0.6	277.5*	34.8	205.8*
Pulpwood Production (000 Cubic Metres)	1,757	-6.3	1,875	5.6	1,776	5.3	1,687
Iron Ore Shipments (Millions of Metric Tonnes)	21.1*	2.9	20.5	11.4	18.4	-4.2	19.2
Gross Value of Manufacturing Shipments ($ Millions)	1,400.0*	-16.1	1,668.0	4.4	1,597.3	12.2	1,423.7
Private and Public Investment ($ Millions)	2,661.1*	1.8	2,613.1	6.8	2,446.9	-5.0	2,575.8
Dwelling Starts (Number)	3,536	11.6	3,168	18.1	2,682	-7.0	2,883
Retail Trade ($ Millions)	3,285.6*	6.9	3,073.6	11.6	2,755.2	14.5	2,406.6
New Motor Vehicle Sales ($ Millions)	430.1*	0.5	427.9	13.0	378.6	22.1	310.2

*Preliminary

** GDP at Factor Cost

Source: Statistics Canada
Newfoundland Statistics Agency, Executive Council.

EXHIBIT II

ESTIMATED PROVINCIAL AND FEDERAL REVENUES
1990-91 and 1989-90 Revised

	1990-91 Estimates	1989-90 Revised
	($000)	($000)
PROVINCIAL TAX SOURCES:		
Retail Sales Tax	**596,000**	561,000
Personal Income Tax	**425,300**	405,700
Gasoline Tax	**83,800**	79,700
Corporate Income Tax	**64,700**	55,300
Tobacco Tax	**51,000**	50,000
Mining Tax and Royalties	**24,900**	22,600
Health and Post-Secondary Education Tax	**15,000**	–
Insurance Companies Tax	**13,000**	12,200
Corporate Capital Tax	**5,100**	3,220
Forest Management Tax	**1,760**	1,660
Mineral Holdings Tax	**430**	110
Pari-Mutuel Tax	**10**	10
TOTAL: Provincial Tax Sources	**1,281,000**	1,191,500
OTHER PROVINCIAL SOURCES:		
Newfoundland Liquor Corporation	**81,500**	79,000
Vehicle and Driver Licences	**31,000**	29,000
Lottery Revenues	**16,000**	15,700
Registry of Deeds	**10,630**	7,900
Fines and Forfeitures	**6,575**	5,000
Inland Fish and Game Licences	**2,345**	2,190
Newfoundland Liquor Licensing Board	**2,300**	2,200
Registry of Bills and Sales	**2,060**	1,970
Crown Lands	**1,725**	1,700
Mining Royalties and Fees	**1,380**	1,350
Forestry Royalties and Fees	**1,220**	1,170
Health Fees and Certificates	**1,025**	565
Lottery Licences	**650**	650
Park Permits	**660**	640
Insurance Companies, etc.	**430**	425
Other	**1,900**	740
TOTAL: Other Provincial Sources	**161,400**	150,200
TOTAL: PROVINCIAL SOURCES	**1,442,400**	1,341,700
GOVERNMENT OF CANADA:		
Equalization	**966,900**	941,700
Established Programs Financing	**223,000**	224,000
PUITTA	**8,856**	8,456
Term 29 Award	**8,000**	8,000
Statutory Subsidies	**1,744**	1,744
TOTAL: GOVERNMENT OF CANADA	**1,208,500**	1,183,900
TOTAL: CURRENT ACCOUNT REVENUES	**2,650,900**	2,525,600

EXHIBIT III

CURRENT AND CAPITAL REVENUES
PROVINCIAL AND FEDERAL SOURCES
1986-87 to 1990-91

	1990-91 Estimates		1989-90 Revised		1988-89 Unaudited		1987-88 Audited		1986-87 Audited	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
Current Revenues:										
Provincial Sources	**1,568,135**	52.9	1,475,633	52.2	1,330,060	52.0	1,253,750	51.7	1,112,476	49.8
Federal Sources	**1,393,946**	47.1	1,351,867	47.8	1,226,874	48.0	1,171,137	48.3	1,120,863	50.2
Total: Current Revenues	**2,962,081**	100.0	2,827,500	100.0	2,556,934	100.0	2,424,887	100.0	2,233,339	100.0
Capital Revenues:										
Provincial Sources	**13,885**	12.8	21,041	22.6	47,906	74.9	73,697	61.1	14,082	28.2
Federal Sources	**94,882**	87.2	72,016	77.4	16,062	25.1	46,973	38.9	35,806	71.8
Total: Capital Revenues	**108,767**	100.0	93,057	100.0	63,968	100.0	120,670	100.0	49,888	100.0
Current and Capital Revenues:										
Provincial Sources	**1,582,020**	51.5	1,496,674	51.2	1,377,966	52.6	1,327,447	52.1	1,126,558	49.3
Federal Sources	**1,488,828**	48.5	1,423,883	48.8	1,242,936	47.4	1,218,110	47.9	1,156,669	50.7
Total: Current and Capital Revenues	**3,070,848**	100.0	2,920,557	100.0	2,620,902	100.0	2,545,557	100.0	2,283,227	100.0

EXHIBIT IV

EXPENDITURE SUMMARY
1990-91 Estimated

Head	Total		Current		Capital	
	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)
Consolidated Fund Services	548,704	480,801	533,004	465,102	15,700	15,699
Executive Council	14,880	14,279	14,660	14,059	220	220
Finance	49,742	43,792	45,179	41,092	4,563	2,700
Legislature	9,856	9,396	9,856	9,396	-	-
Public Service Commission	4,082	3,940	4,082	3,940	-	-
Works, Services and Transportation	289,283	218,345	129,855	119,838	159,428	98,507
Development	60,502	35,908	48,792	29,373	11,710	6,535
Environment and Lands	23,279	21,431	22,182	20,606	1,097	825
Fisheries	48,492	31,291	22,722	17,549	25,770	13,742
Forestry and Agriculture	64,060	43,945	52,586	38,731	11,474	5,214
Mines and Energy	26,058	25,150	25,944	25,036	114	114
Education	775,333	738,412	715,231	689,867	60,102	48,545
Employment and Labour Relations	27,250	21,728	27,250	21,728	-	-
Health	834,111	804,795	811,278	783,627	22,833	21,168
Justice	107,780	102,101	104,310	98,631	3,470	3,470
Municipal and Provincial Affairs	171,772	148,313	130,104	115,670	41,668	32,643
Newfoundland and Labrador Housing Corporation	15,915	11,665	15,915	11,665	-	-
Social Services	248,258	144,117	238,888	134,747	9,370	9,370
TOTAL	3,319,357	2,899,409	2,951,838	2,640,657	367,519	258,752

EXPENDITURE SUMMARY
1989-90 Revised

Consolidated Fund Services	561,940	485,420	521,072	444,553	40,868	40,867
Executive Council	14,298	13,992	13,818	13,512	480	480
Finance	46,978	39,251	43,241	39,768	3,737	(517)
Legislature	11,170	10,720	11,170	10,720	-	-
Public Service Commission	3,548	3,349	3,548	3,349	-	-
Works, Services and Transportation	272,695	208,950	122,253	111,489	150,442	97,461
Development	63,078	40,334	53,070	33,652	10,008	6,682
Environment and Lands	24,129	22,813	22,912	21,887	1,217	926
Fisheries	48,211	33,356	21,831	17,275	26,380	16,081
Forestry and Agriculture	57,680	42,204	49,824	38,569	7,856	3,635
Mines and Energy	41,777	38,433	41,598	40,961	179	(2,528)
Education	725,576	695,184	668,857	648,301	56,719	46,883
Employment and Labour Relations	16,952	9,210	16,952	9,210	-	-
Health	755,760	730,716	737,838	712,989	17,922	17,727
Justice	100,395	94,360	98,865	92,830	1,530	1,530
Municipal and Provincial Affairs	160,877	142,342	130,885	113,829	29,992	28,513
Newfoundland and Labrador Housing Corporation	15,811	9,094	13,920	10,670	1,891	(1,576)
Social Services	221,415	127,605	218,002	124,192	3,413	3,413
TOTAL	3,142,290	2,747,333	2,789,656	2,487,756	352,634	259,577

EXHIBIT V

PUBLIC SECTOR DEBT

1986 to 1990

	Five Years ending March 31				
	1990*	**1989**	**1988**	**1987**	**1986**
	(Millions of dollars)				
Provincial Direct Debt:					
Payable in Canadian Dollars	**1,652.4**	1,532.0	1,435.5	1,340.7	1,232.3
Due Government of Canada	**828.0**	801.8	777.6	748.8	703.0
Payable in U.S. Dollars	**1,409.4**	1,332.1	1,476.5	1,553.2	1,535.3
Payable in Other Currencies	**534.7**	520.9	500.1	355.9	323.9
Total Direct Debenture Debt	**4,424.5**	4,186.8	4,189.7	3,998.6	3,794.5
Treasury Bills	**130.0**	130.0	130.0	130.0	130.0
Total Provincial Direct Debt	**4,554.5**	4,316.8	4,319.7	4,128.6	3,924.5
Crown Corporation and Other Debt:					
Utility	**1,237.1**	1,135.3	1,119.3	1,176.8	1,088.0
Housing	**102.8**	84.6	75.9	73.3	63.4
Municipal	**580.4**	559.8	525.4	515.4	502.1
Other	**140.3**	155.2	115.9	64.1	72.7
Total Crown Corporation and Other Debt	**2,060.6**	1,934.9	1,836.5	1,829.6	1,726.2
Deduct Sinking Funds held for Redemption of Debt:					
Provincial Obligations	**1,137.1**	1,120.6	1,029.8	981.1	902.0
Guaranteed Debt	**316.4**	286.1	261.8	242.4	199.9
Total Sinking Funds	**1,453.5**	1,406.7	1,291.6	1,223.5	1,101.9
Total Public Sector Debt (1)	**5,161.6**	4,845.0	4,864.6	4,734.7	4,548.8

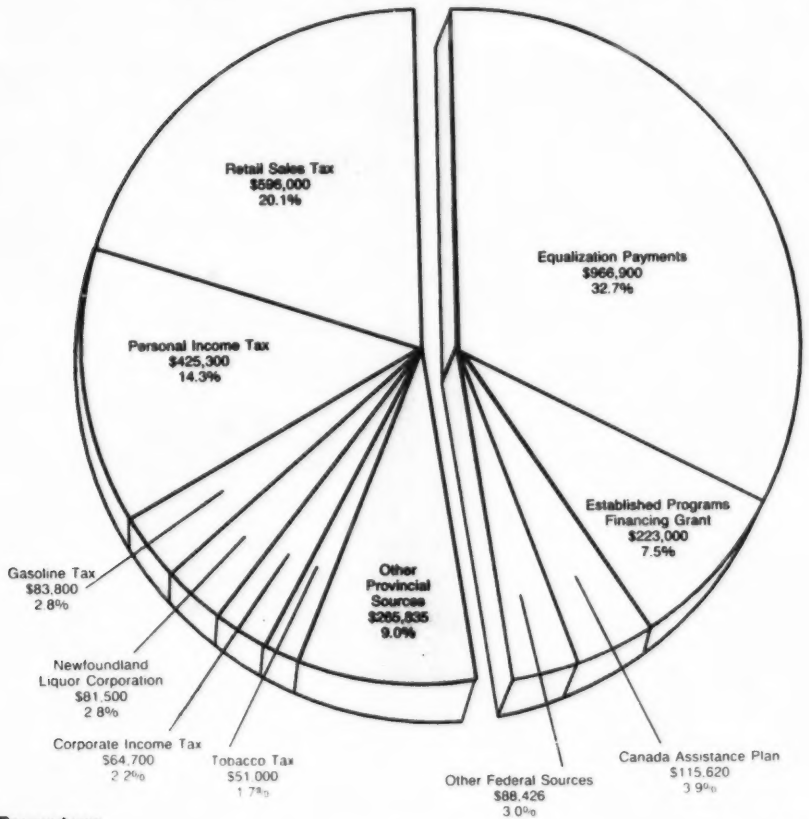
* Forecast

(1) Debt payable in foreign currencies is shown at the Canadian dollar equivalent using the rates of exchange in effect on March 31 of each year.

EXHIBIT VI

SUMMARY OF CURRENT REVENUES (By Source)

WHERE THE MONEY COMES FROM

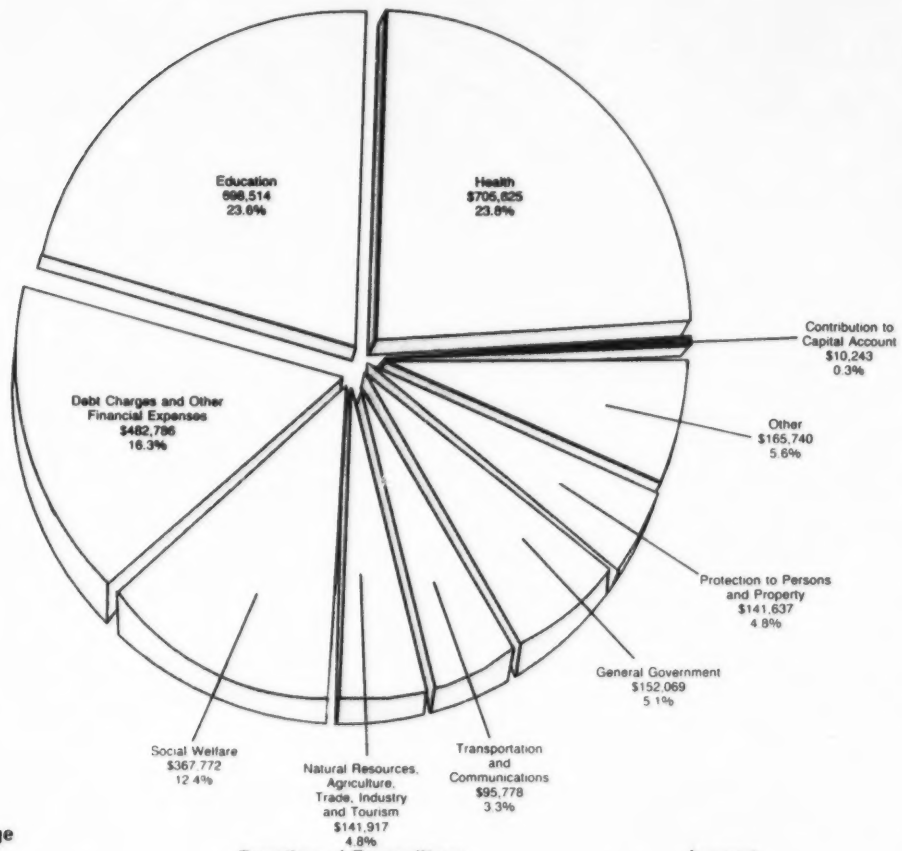


Percentage of Total		Source	Amount ($000)	
Revised 1989-90	Estimate 1990-91		Estimate 1990-91	Revised 1989-90
		Provincial:		
19.8	20.1	Retail Sales Tax	596,000	561,000
14.3	14.3	Personal Income Tax	425,300	405,700
2.8	2.8	Gasoline Tax	83,800	79,700
2.8	2.8	Newfoundland Liquor Corporation	81,500	79,000
2.0	2.2	Corporate Income Tax	64,700	55,300
1.8	1.7	Tobacco Tax	51,000	50,000
8.7	9.0	Other Provincial Sources	265,835	244,933
52.2	52.9	**Total: Provincial**	1,568,135	1,475,633
		Government of Canada:		
33.3	32.7	Equalization Payments	966,900	941,700
7.9	7.5	Established Programs Financing Grant	223,000	224,000
3.6	3.9	Canada Assistance Plan	115,620	102,348
3.0	3.0	Other Federal Sources	88,426	83,819
47.8	47.1	Total: **Government of Canada**	1,393,946	1,351,867
100.0	100.0	Total: **Current Revenues**	2,962,081	2,827,500

EXHIBIT VII

SUMMARY OF CURRENT ACCOUNT EXPENDITURE (By Function)

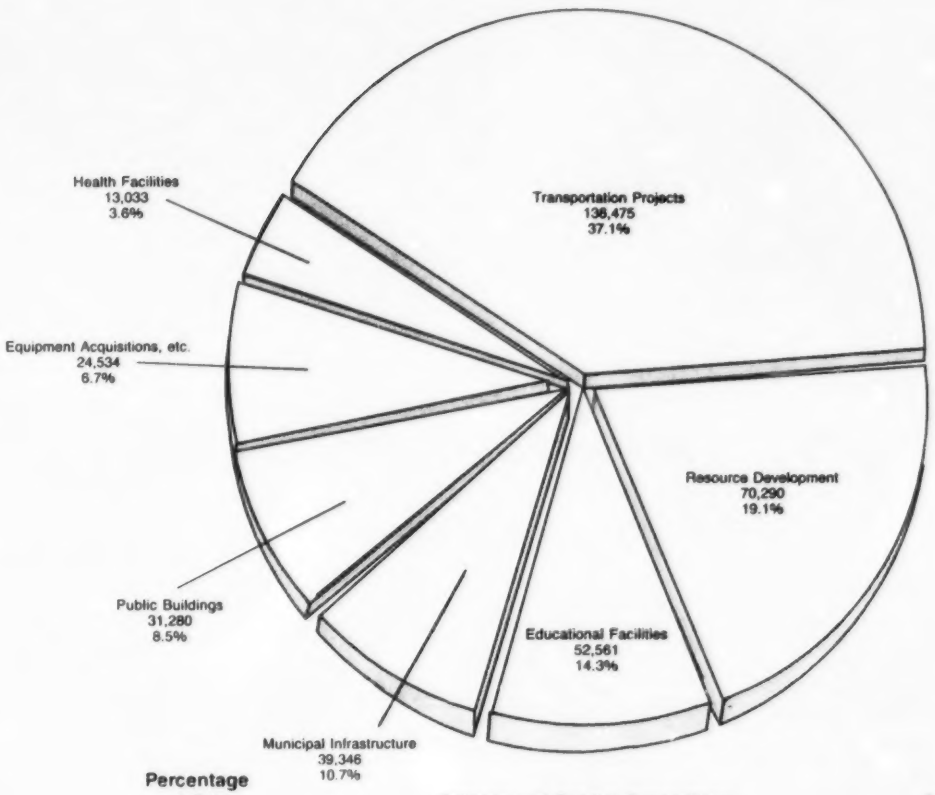
WHERE THE MONEY GOES



Percentage of Total		Function of Expenditure	Amount ($000)	
Revised 1989-90	Estimate 1990-91		Estimate 1990-91	Revised 1989-90
		Expenditure:		
23.1	23.6	Education	698,514	653,442
22.8	23.8	Health	705,625	644,340
16.2	16.3	Debt Charges and Other Financial Expenses	482,786	458,096
11.7	12.4	Social Welfare	367,772	331,997
5.6	4.8	Natural Resources, Agriculture, Trade, Industry and Tourism	141,917	158,939
5.8	5.1	General Government	152,069	163,008
4.9	4.8	Protection to Persons and Property	141,637	136,883
3.2	3.3	Transportation and Communications	95,778	90,735
5.4	5.6	Other	165,740	152,216
98.7	99.7	**Total: Expenditure**	2,951,838	2,789,656
1.3	0.3	**Contribution to Capital Account**	10,243	37,844
100.0	100.0	**Total:**	2,962,081	2,827,500

EXHIBIT VIII

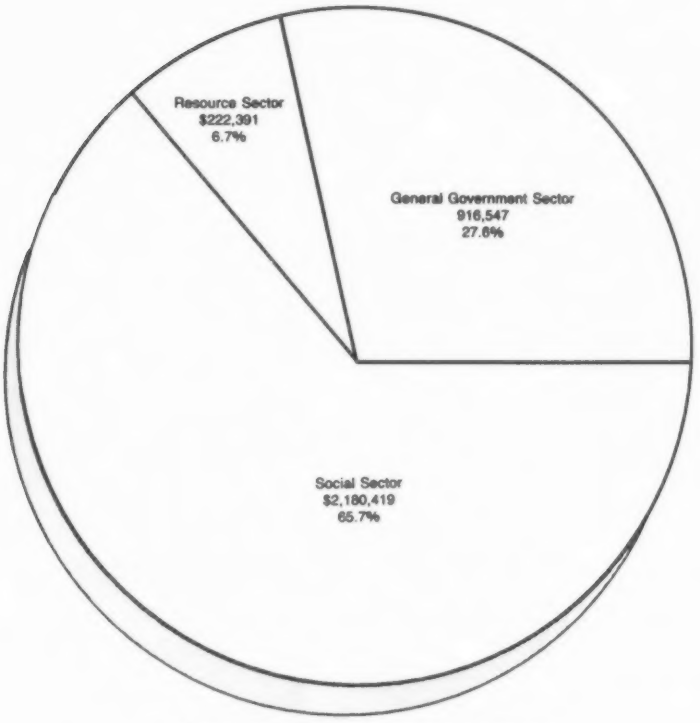
SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURE
(By Category)



Percentage of Total		Category of Capital Expenditure	Amount ($000)	
Revised 1989-90	Estimate 1990-91		Estimate 1990-91	Revised 1989-90
		Expenditure:		
36.6	37.1	Transportation Projects	136,475	129,037
25.6	19.1	Resource Development	70,290	90,371
13.8	14.3	Educational Facilities	52,561	48,758
7.8	10.7	Municipal Infrastructure	39,346	27,344
6.3	8.5	Public Buildings	31,280	22,147
7.4	6.7	Equipment Acquisitions, etc.	24,534	26,255
2.5	3.6	Health Facilities	13,033	8,722
100.0	100.0	**Total: Expenditure**	367,519	352,634
		Sources of Financing:		
20.4	25.8	Government of Canada Revenues	94,882	72,016
6.0	3.8	Provincial Revenues	13,885	21,041
10.7	2.8	Current Account Contribution	10,243	37,844
62.9	67.6	Financial Requirement	248,509	221,733
100.0	100.0	**Total: Sources**	367,519	352,634

EXHIBIT IX

SUMMARY OF GROSS GOVERNMENT EXPENDITURE
CURRENT and CAPITAL
(By Sector)



(TOTAL EXPENDITURE: $3,319,357,400)

GROSS GOVERNMENT EXPENDITURE

	Estimate 1990-91 ($000)	Percentage of Total %
Sector Expenditure		
General Government	916.547	27.6
Resource	222.391	6.7
Social	2.180.419	65.7
Total: Expenditure	3.319.357	100.0

GENERAL GOVERNMENT SECTOR

	Estimate 1990-91 ($000)	Percentage of Total %
Consolidated Fund Services	548.704	16.5
Executive Council	14.880	0.5
Finance	49.742	1.5
Legislature	9.856	0.3
Public Service Commission	4.082	0.1
Works, Services & Transportation	289.283	8.7
Total: General Government Sector	**916.547**	27.6

SOCIAL SECTOR

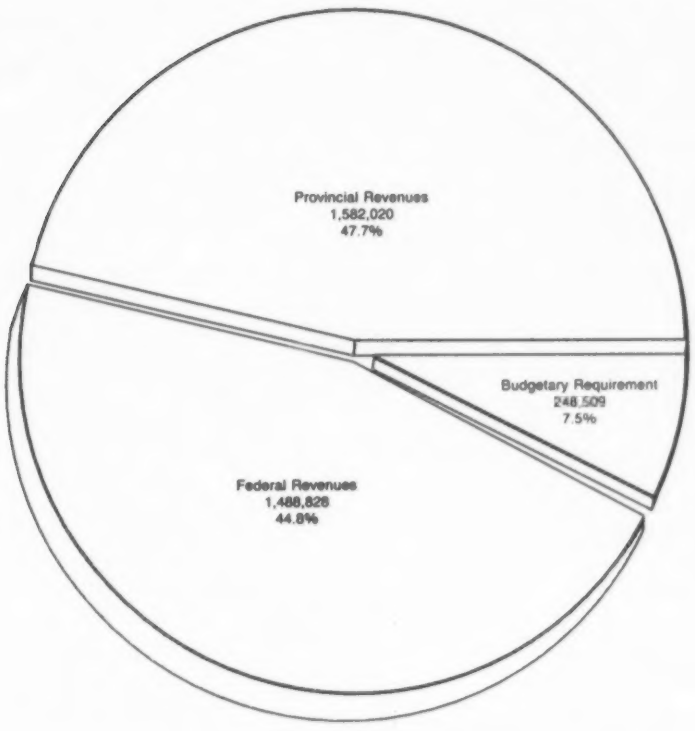
	Estimate 1990-91 ($000)	Percentage of Total %
Education	775.333	23.4
Employment and Labour Relations	27.250	0.8
Health	834.111	25.1
Justice	107.780	3.2
Municipal and Provincial Affairs	171.772	5.2
Newfoundland and Labrador Housing Corporation	15.915	0.5
Social Services	248.258	7.5
Total: Social Sector	2.180.419	65.7

RESOURCE SECTOR

	Estimate 1990-91 ($000)	Percentage of Total %
Development	60.502	1.8
Environment and Lands	23.279	0.7
Fisheries	48.492	1.5
Forestry and Agriculture	64.060	1.9
Mines and Energy	26.058	0.8
Total: Resource Sector	222.391	6.7

EXHIBIT X

SUMMARY OF BUDGETARY FINANCING SOURCES
(Current and Capital)



Percentage of Total		Category of Financing	Amount ($000)	
Revised 1989-90	Estimate 1990-91		Estimate 1990-91	Revised 1989-90
		Revenue Sources:		
47.6	47.7	Provincial	1,582,020	1,496,674
45.3	44.8	Federal	1,488,828	1,423,883
92.9	92.5		3,070,848	2,920,557
		Budgetary Requirement:		
		Capital Account (Net Expenditure)	258,752	259,577
		Current Account (Contribution)	(10,243)	(37,844)
7.1	7.5	Total Budgetary Requirement	248,509	221,733
100.0	100.0	**Total: Sources**	3,319,357	3,142,290

EXHIBIT XI

SUMMARY OF SALARY COSTS BY DEPARTMENT

1990-91

Department	Permanent Salaries	Temporary and Other Employees, Overtime, Other Earnings, etc.	Total
	$	$	$
Executive Council	7,071,500	1,197,600	8,269,100
Finance	10,230,200	1,706,200	11,936,400
Legislature	4,397,600	363,500	4,761,100
Public Service Commission	1,412,000	358,800	1,770,800
Works, Services and Transportation	53,415,700	27,054,100	80,469,800
Development	6,484,200	1,287,400	7,771,600
Environment and Lands	9,336,100	4,164,900	13,501,000
Fisheries	5,880,800	2,172,100	8,052,900
Forestry and Agriculture	10,782,200	8,699,800	19,482,000
Mines and Energy	4,855,400	2,354,100	7,209,500
Education	11,294,700	4,427,000	15,721,700
Employment and Labour Relations	6,251,500	865,500	7,117,000
Health	14,827,200	2,760,200	17,587,400
Justice	40,064,800	7,040,700	47,105,500
Municipal and Provincial Affairs	19,837,200	3,369,900	23,207,100
Social Services	24,445,600	30,364,400	54,810,000
TOTAL	230,586,700	98,186,200	328,772,900
Less: Capital Account Salary Expenditure	5,768,500	5,781,600	11,550,100
Total: Current Account Salary Expenditure	224,818,200	92,404,600	317,222,800

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 1990-91

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Payable in Canadian Dollars:							
1961/91	OO	5,000,000	6	1¼	300,000	87,500	
1965/90	ZZ	7,000,000	6	2¼	420,000	–	
1966/91	3C	13,000,000	6¼	3	812,500	390,000	
1967/92	3E	10,000,000	6¾	2½	675,000	250,000	
1967/92	3G	15,000,000	6½	2½	975,000	375,000	
1970/90	3T	4,244,000	9¼	1½	196,300	–	1,897,600
1970/90	3U	5,250,000	9¾	1½	255,900	–	
1970/90	3V	3,512,000	9¼	1½	324,900	–	
1970/90	3W	6,000,000	9¾	1½	585,000	–	47,900
1972/91	4B	1,500,000	7½	2½	112,500	–	
1972/92	4F	1,624,000	8¼	1½	134,000	24,400	
1972/93	4H	20,000,000	8⅛	2	1,625,000	400,000	
1973/93	4J	20,000,000	8	2	1,600,000	400,000	
1973/94	4K	20,000,000	8½	1½	1,700,000	300,000	
1973/94	4L	20,000,000	8⅞	1½	1,775,000	300,000	
1974/95	4Q	15,000,000	10½	1½	1,575,000	225,000	
1975/96	4R	25,000,000	10	1½	2,500,000	375,000	
1975/95	4U	20,000,000	10⅜	1½	2,075,000	300,000	
1975/96	4V	1,296,000	10½	1½	136,100	19,400	
1976/97	4X	30,000,000	10¾	1½	3,225,000	450,000	
1977/99	4Z	35,000,000	10	2	3,500,000	700,000	
1977/98	5B	50,000,000	10	2	5,000,000	1,000,000	
1980/91	5G	2,000,000	11¼	—	225,000	–	
1982/2002	5K	50,000,000	14¾	2	7,375,000	1,000,000	
1983/2003	5L	125,000,000	12⅞	2	16,093,800	2,500,000	
1984/2004	5N	100,000,000	13½	2	13,500,000	2,000,000	
1985/95	EU8	75,000,000	11⅜	2	11,406,300	2,016,800	
1985/97	5P	80,000,000	10¼	—	8,200,000	–	
1986/2006	5Q	100,000,000	11	2	11,000,000	2,000,000	
1986/2001	EC3	100,000,000	10	2	10,000,000	2,000,000	
1987/2010	5R	100,000,000	9⅜	2	9,375,000	2,000,000	
1987/2001	EC4	75,000,000	9½	2	7,125,000	1,500,000	
1987/2007	5S	42,300,000	10.79	2	4,564,200	846,000	
1988/2008	5T	100,000,000	11¼	2	11,250,000	2,000,000	
1988/97	J5(i)	75,000,000	10.86	—	8,144,900	–	
1989/2012	5U	125,000,000	11	2	13,750,000	2,500,000	
1989/2014	5V	150,000,000	10⅛	1½	15,187,500	2,250,000	
					176,698,900	28,209,100	1,945,500
Payable in United States Dollars:							
1971/96	3Y	25,000,000	8¾	2	2,668,800	610,000	
1972/97	3Z	35,000,000	8⅜	2	3,576,100	854,000	
1973/98	4M	40,000,000	8½	1½	4,148,000	732,000	
1975/2000	4S	50,000,000	10⅞	1½	6,633,800	915,000	
1976/2001	4W	50,000,000	10½	1½	6,405,000	915,000	

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 1990-91 (Cont'd)

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Payable in United States Dollars (Cont'd):							
1976/2001	4Y	50,000,000	10	1½	6,100,000	915,000	
1977/2002	AB	75,000,000	9⅛	2	8,349,400	1,830,000	
1978/90	EU2	41,643,000	9¼	—	4,699,400	-	50,804,500
1978/93	J2	29,000,000	9¾	—	3,449,600	-	8,540,000
1979/94	EU3	42,000,000	10	—	5,124,000	-	
1981/91	AC	100,000,000	15	2	18,300,000	2,440,000	
1982/90	EU6	75,000,000	15½	—	14,182,500	-	91,500,000
1982/92	AD	100,000,000	13⅞	2	16,927,500	2,440,000	
1983/93	S2 (ii)	45,025,420	13.07	—	7,179,500	-	
1984/91	EU7	75,000,000	13	—	11,895,000	-	
1986/96	AE	100,000,000	8½	2	10,370,000	2,440,000	
1987/2007	AF	100,000,000	11⅝	2	14,182,500	2,440,000	
1989/2019	AG	150,000,000	9	1½	8,235,000	2,745,000	
Anticipated 1990/91					8,120,600		
					160,546,700	19,276,000	150,844,500
Payable in Japanese Yen:							
1985/95	J4	15,000,000,000	7.4	—	9,544,100	-	24,300,000
1989/94	J6	4,600,000,000	5.4	—	2,241,700	-	
1989/94	J7	2,400,000,000	5.4	—	1,169,600	-	
					12,955,400	-	24,300,000
Payable in Swiss Francs:							
1985/2000	S3	150,000,000	5⅜	—	6,691,900	-	
1987/2002	S4	150,000,000	5⅛	—	6,380,600	-	
1988/2003	S5	150,000,000	5	2	6,225,000	2,471,200	
					19,297,500	2,471,200	
					369,498,500	49,956,300	177,090,000
Canada Pension Plan: (20 Year Term)							
1970/71	3A	16,829,000	6.79- 8.14	—	938,100	-	
1971/72	3A	17,602,000	6.75- 7.54	2	1,245,400	352,000	
1972/73	3A	19,000,000	7.08- 7.51	2	1,398,400	380,000	
1973/74	3A	21,690,000	7.30- 7.75	2	1,633,300	433,800	
1974/75	3A	25,818,000	7.61- 9.25	2	2,207,200	516,400	
1975/76	3A	29,429,000	8.21- 9.48	2	2,631,800	588,600	
1976/77	3A	30,988,000	8.73- 9.25	2	2,790,000	619,800	
1977/78	3A	33,037,000	8.77- 9.37	2	3,001,000	660,700	
1978/79	3A	36,622,000	9.35-10.16	2	3,499,500	732,400	
1979/80	3A	40,070,000	9.98-12.74	2	4,242,100	801,400	
1980/81	3A	42,645,000	11.61-13.46	2	5,416,800	852,900	

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 1990-91 (Cont'd)

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Canada Pension Plan (Cont'd):							
1981/82	3A	52,973,000	13.66-17.51	2	8,173,600	1,059,500	
1982/83	3A	52,104,000	12.01-16.53	2	7,645,000	1,042,100	
1983/84	3A	50,738,000	10.92-12.14	2	5,882,300	1,014,800	
1984/85	3A	47,146,000	12.08-14.06	2	6,303,100	942,900	
1985/86	3A	50,570,000	10.58-12.57	2	5,806,900	1,011,400	
1986/87	3A	59,659,000	9.04-10.17	2	5,735,200	1,193,200	
1987/88	3A	43,829,000	9.12-11.07	2	4,280,400	876,600	
1988/89	3A	41,635,000	9.62-10.39	2	4,196,400	832,700	
1989/90	3A	45,188,000	9.15-10.31	2	4,475,100	903,800	
1990/91	3A	29,590,000			1,398,500	-	
					82,900,100	14,815,000	
Government of Canada:							
1971/91	4A	4,401,000	7.14	1	314,200	44,000	
1972/92	4C	1,899,000	6.90	1	131,000	19,000	
1972/92	4D	400,000	6.90	1	27,600	4,000	
1973/93	4I	3,661,200	7.28	1	266,500	36,600	
Winter Capital Projects		3,827,200	7.44- 9.40	—	303,400	-	
CMHC Loans		22,086,078	5.75-14.75	—	1,928,700	-	393,600
DRIE		34,125,961	5.77- 9.72	—	2,859,600	-	3,389,100
					5,831,000	103,600	3,782,700
TOTAL					458,229,600	64,874,900	180,872,700

EXCHANGE RATES USED IN CONVERSION

U.S. . . . . 1.2200 Cdn.
Yen . . . . . 0.0090 Cdn.
S.F. . . . . 0.8300 Cdn.

(i) Series J5 represents a 7.6 billion Japanese Yen issue which has interest and principal repayments swapped into Canadian dollars.

(ii) Series S2 represents a 100 million Swiss Franc issue which has interest and principal repayments swapped into U.S. dollars.

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES

ESTIMATES 1990-91

Activity No.	Details	Gross Expenditure	Related Revenue	Net Expenditure
		$	$	$
CONSOLIDATED FUND SERVICES				
1.3.02	Issues under Guarantee (Statutory)	15,700,000	1,000	15,699,000
TOTAL		15,700,000	1,000	15,699,000
EXECUTIVE COUNCIL				
1.1.03	Government House	220,000	-	220,000
TOTAL		220,000	-	220,000
FINANCE				
1.2.03	Debt Expenses, NLC Building (Statutory)	259,900	-	259,900
2.2.02	Industrial Assistance	4,303,000	1,405,000	2,898,000
2.2.03	Newfoundland Industrial Development Corporation	-	458,000	(458,000)
TOTAL		4,562,900	1,863,000	2,699,900
WORKS, SERVICES AND TRANSPORTATION				
2.2.06	Highway Depots — Facilities	1,752,000	-	1,752,000
2.2.07	Alterations - Leased Accommodations	775,000	-	775,000
2.3.04	Vehicles and Equipment	5,500,000	275,000	5,225,000
3.1.01	Administrative Support	1,711,000	-	1,711,000
3.1.02	Planning and Research	420,100	-	420,100
3.1.03	Soils and Paving	644,500	-	644,500
3.1.04	Highway Design	1,485,000	-	1,485,000
3.1.05	Pre-Engineering	624,000	-	624,000
3.1.06	Project Management and Design	1,920,000	-	1,920,000
3.2.01	Improvement and Construction — Roads	19,100,000	25,000	19,075,000
3.2.02	Road and Bridge Rehabilitation	7,500,000	-	7,500,000
3.2.03	Bridges and Causeways	3,400,000	-	3,400,000
3.2.04	Highways — Transport Canada — ERDA	69,500,000	44,362,000	25,138,000
3.2.05	Highways — Transportation Initiative	11,000,000	11,000,000	-
3.2.06	Bridges – Labrador Agreement	3,000,000	2,100,000	900,000
3.2.07	Highway Safety Structures	100,000	-	100,000
3.2.08	Land Acquisition	3,000,000	-	3,000,000
3.3.01	Alterations to Existing Facilities	11,107,000	100,000	11,007,000
3.3.02	Development of New Facilities	50,000	-	50,000
3.3.03	Improvements to Land and Property	2,889,300	-	2,889,300
3.3.04	Advanced Planning — Studies	100,000	-	100,000
4.2.03	Air Strips	2,979,000	2,979,000	-
4.3.04	Ferry Terminals	1,900,000	-	1,900,000
4.3.05	Ferry Vessels	7,925,000	-	7,925,000
4.4.03	Aircraft Refurbishing	250,000	-	250,000
4.4.04	Hangar Facilities	183,500	-	183,500
5.2.03	Realty Services	112,200	80,000	32,200
5.3.02	Park Development — C.A. Pippy Park Commission	500,000	-	500,000
TOTAL		159,427,600	60,921,000	98,506,600
DEVELOPMENT				
2.1.07	Marystown Shipyard Facility Enhancement — Offshore Fund	1,500,000	1,125,000	375,000
2.2.03	Ocean Industry Development	900,000	-	900,000
2.4.07	Pulp and Paper Modernization	410,000	-	410,000

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES (Cont'd)

ESTIMATES 1990-91

Activity No.	Details	Gross Expenditure	Related Revenue	Net Expenditure
		$	$	$
DEVELOPMENT (Cont'd)				
2.5.03	Loan Fund — Enterprise Development	6,000,000	4,050,000	1,950,000
4.3.03	Tourist Facilities	640,000	–	640,000
4.3.05	Travel Generators — Marble Mountain	2,100,000	–	2,100,000
5.1.03	Depot Buildings — Labrador Operations	160,000	–	160,000
TOTAL		11,710,000	5,175,000	6,535,000
ENVIRONMENT AND LANDS				
3.2.02	Cottage Land Development	200,000	200,000	–
4.1.06	Park Planning and Development	852,000	70,000	782,000
4.1.07	National Parks	5,000	2,500	2,500
4.2.07	Salmonier Nature Park	40,000	–	40,000
TOTAL		1,097,000	272,500	824,500
FISHERIES				
2.2.02	Administration — Planning — Construction of Fishing Facilities	50,000	–	50,000
2.2.03	Marine Service Centres	860,000	–	860,000
2.2.04	Fishermen's Facilities	1,075,000	–	1,075,000
2.2.05	Fisheries Access Roads	90,000	–	90,000
2.2.06	Extension of Electrical Services	40,000	–	40,000
2.2.07	Community Projects	200,000	–	200,000
2.2.08	Fisheries Initiatives — ERDA	11,255,000	6,178,000	5,077,000
2.2.09	Labrador Development Agreement	500,000	350,000	150,000
3.1.07	Fishing Vessels	600,000	–	600,000
3.1.09	Aquaculture	100,000	–	100,000
5.1.03	Incentives and Assistance — Fisheries Loan Board	8,000,000	5,500,000	2,500,000
5.1.04	Fishing Boat Bounties — Fisheries Loan Board	3,000,000	–	3,000,000
TOTAL		25,770,000	12,028,000	13,742,000
FORESTRY AND AGRICULTURE				
2.3.04	Forest Utilization Equipment	95,000	66,500	28,500
2.4.06	Forest Protection Facilities	423,000	268,000	155,000
2.5.02	Forest Protection Equipment	164,000	–	164,000
2.6.02	Resource Roads Construction	2,262,000	1,141,000	1,121,000
2.8.05	Forestry Nursery Facilities	1,125,000	770,000	355,000
3.1.05	Land Development	650,000	–	650,000
3.1.06	Livestock Feed Initiatives — ALFI	1,000,000	833,000	167,000
3.1.07	Agri-Food Initiatives	2,530,000	1,581,200	948,800
3.3.07	Farm Development Loan Board	3,000,000	1,600,000	1,400,000
3.4.02	Construction and Alterations — Newfoundland Farm Products Corporation	200,000	–	200,000
3.5.10	Veterinary Facilities	25,000	–	25,000
TOTAL		11,474,000	6,259,700	5,214,300

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES (Cont'd)

ESTIMATES 1990-91

Activity No.	Details	Gross Expenditure	Related Revenue	Net Expenditure
		$	$	$
MINES AND ENERGY				
3.2.04	Core Storage Buildings	114,500	–	114,500
TOTAL		114,500	–	114,500
EDUCATION				
2.1.10	Building and Equipping Schools	28,500,000	–	28,500,000
2.1.11	Transportation of School Children	1,429,800	–	1,429,800
2.5.05	Newfoundland School for the Deaf	125,000	–	125,000
3.1.11	Skills Training Projects — Offshore Fund	1,300,000	975,000	325,000
3.2.02	Furnishings and Equipment — Memorial University	5,000,000	–	5,000,000
3.2.03	Sir Wilfred Grenfell College	202,300	–	202,300
3.2.04	Centre for Earth Resources — Offshore Fund	1,617,000	1,213,000	404,000
3.2.05	Centre for Remote Medicine and Telemedicine — Offshore Fund	150,000	112,500	37,500
3.2.06	Various Buildings — Memorial University	3,050,000	–	3,050,000
3.3.02	Furnishings and Equipment — Institutes and Community Colleges	2,540,000	–	2,540,000
3.3.03	Institute and College Facilities	4,032,500	140,000	3,892,500
3.3.04	Petroleum Technology Training — Offshore Fund	3,105,000	2,329,000	776,000
3.3.05	Survival Centre — Offshore Fund	2,500,000	1,875,000	625,000
3.3.06	Simulator Training Centre — Offshore Fund	6,500,000	4,875,000	1,625,000
3.3.07	Skills Training Projects — Offshore Fund	50,000	37,500	12,500
TOTAL		60,101,600	11,557,000	48,544,600
HEALTH				
4.4.02	Hospital Equipment	8,200,000	–	8,200,000
4.4.03	Community Clinics	2,780,000	1,470,000	1,310,000
4.4.04	Roddickton Health Centre	3,037,000	–	3,037,000
4.4.06	Central Newfoundland Hospital	60,000	–	60,000
4.4.07	Janeway Child Health Centre	250,000	–	250,000
4.4.08	James Paton Memorial Hospital	750,000	–	750,000
4.4.09	Waterford Hospital	75,000	–	75,000
4.4.11	St. Clare's Mercy Hospital	300,000	–	300,000
4.4.12	Other Medical Facilities	2,526,100	195,000	2,331,100
4.4.13	Newfoundland Cancer Treatment and Research Foundation	1,900,000	–	1,900,000
4.5.01	Furnishings and Equipment — Long Term Special Care Facilities	1,600,000	–	1,600,000
4.5.02	Long Term Special Care Facilities	1,355,200	–	1,355,200
TOTAL		22,833,300	1,665,000	21,168,300
JUSTICE				
3.1.06	Court Facilities	2,465,000	–	2,465,000
4.1.08	Police Protection Facilities	521,000	–	521,000
4.2.06	Adult Correction Facilities	484,000	–	484,000
TOTAL		3,470,000	–	3,470,000

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES (Cont'd)

ESTIMATES 1990-91

Activity No.	Details	Gross Expenditure	Related Revenue	Net Expenditure
		$	$	$
MUNICIPAL AND PROVINCIAL AFFAIRS				
2.3.04	St. John's Regional Water and Sewer Servicing	250,000	-	250,000
2.3.05	Community Water Services	1,500,000	-	1,500,000
2.3.06	Waste Management Facilities	371,000	-	371,000
2.3.07	Industrial Water Systems	712,700	-	712,700
2.3.08	Water and Sewer Servicing — Coastal Labrador	14,146,500	8,613,500	5,533,000
3.2.07	Municipal Councils	155,000	-	155,000
3.3.02	Road Construction and Paving — Debt Principal	6,800,000	-	6,800,000
3.3.03	Water and Sewer Systems — Debt Principal	13,600,000	-	13,600,000
4.1.03	Disaster Assistance for Infrastructure	5,000	-	5,000
4.1.04	Joint Emergency Preparedness Projects	350,000	350,000	-
4.2.06	Firefighting Vehicles and Apparatus	1,085,000	21,300	1,063,700
5.1.07	Community Sports Facilities	1,806,000	-	1,806,000
5.1.08	Provincial Sports Facilities	38,000	-	38,000
6.1.06	Support for Cultural Activities	150,000	-	150,000
6.1.07	Newfoundland Public Libraries Board	300,000	-	300,000
6.1.08	Arts and Culture Facilities	229,000	-	229,000
6.2.09	Historic Sites Development	40,000	40,000	-
6.2.10	Historic Resource Facilities	80,000	-	80,000
6.3.04	Youth Services	50,000	-	50,000
TOTAL		41,668,200	9,024,800	32,643,400
SOCIAL SERVICES				
3.2.05	Youth Correction Facilities	8,370,000	-	8,370,000
4.3.04	Support to Organizations	1,000,000	-	1,000,000
TOTAL		9,370,000	-	9,370,000
TOTAL: CAPITAL ACCOUNT EXPENDITURES		367,519,100	108,767,000	258,752,100